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Kohl Fails to Forge a Position On Short-Range Missile Offer

By James M. Markham New York Times Service BONN — Chancellor Helmut Kohl failed Monday to reconcile sharp differences within the governing coalition over what approach to take to a Soviet proposal to abolish missiles in Europe with a range of 300 to 600 miles (500 to 1,000 kilometers).

West Germany's stand is crucial for the shaping of a position by the North Atlantic Treaty Organization, since West German territory is directly threatened by the Warsaw Pact's short-range missiles and it would have to be the site of any new U.S. missiles to counter them.

Mr. Ost said Bonn's position would be reached after the West Germans had had a chance to study the Soviet draft treaty on medium-range missiles that was presented to U.S. negotiators Monday in Geneva.

China Seeks to Rid Asia Of Medium-Range Arms

By Michael Richardson International Herald Tribune KUALA LUMPUR, Malaysia — China is urging that any agreement between the United States and the Soviet Union on eliminating medium-range nuclear missiles from Europe include the abolition of such missiles in the Asia-Pacific region.

are reduced to zero, the same missiles deployed in Asia should likewise be reduced to zero.

U.S. and Soviet negotiators in Geneva have been working toward agreement on reducing numbers of medium-range missiles on the basis of a plan outlined by the Soviet leader, Mikhail S. Gorbachev, in a meeting with President Ronald Reagan last year in Reykjavik, Iceland.

Egypt Shuts PLO Offices

Protests Decision By Leadership To Sever Ties

CAIRO — The government closed all offices of the Palestine Liberation Organization in Egypt on Monday to protest a decision by PLO leadership that forced Yasser Arafat, the PLO chairman, to abandon his relationship with President Hosni Mubarak.



The Herald of Free Enterprise being towed into harbor Monday at Zeebrugge, Belgium.

'Sloppy' Seamanship on Ferry Cited; Toll Rises by 4 as Craft Is Refloated

LONDON — Because of sloppy procedures on the Herald of Free Enterprise, the British ferry sailed from Belgium last month with its bow doors wide open, a British government tribunal was told Monday at the start of a public inquiry.

four more bodies. So far, 178 bodies have been found in the wreck, and about 20 are missing. The ship had carried more than 500 passengers and crew members.

wrecks for England and Wales, said British law nowhere stated specifically that ships had to sail with their doors closed. But the ferry's "safety booklet" made it clear that the doors were to be closed.

Mr. Hsiao, who was China's foreign minister from 1976 to 1982, is deputy chairman of the standing committee of the National People's Congress, the parliament.

Under this plan Soviet SS-20 and U.S. cruise and Pershing-2 missiles would be eliminated in Europe.

After the trauma of securing the deployment of U.S. medium-range missiles in 1983 in the face of stormy demonstrations by anti-nuclear groups, Mr. Kohl and his party have avoided suggesting publicly that any further missiles might be deployed.

Mr. Genscher is the most prominent figure in the small Free Democratic Party, and by staking out a position in favor of abolishing short-range missiles he is widely seen as enhancing his party's electoral chances.

Kiosk Dollar Higher In New York

The dollar rebounded Monday to close higher against most major currencies in New York after hitting another postwar low in Tokyo.

Troubled Decade for U.S. Foreign Service

By John M. Goshko Washington Post Service WASHINGTON — In January 1981, William G. Bowdler, then assistant secretary of state for inter-American affairs, knew that he was one of several career diplomats who was likely to be replaced in the incoming Reagan administration.

The factors that brought this about include: Changes in the promotion system that many believe now discriminate unfairly against officers with the greatest language and area expertise.

The austerity imposed by Congress's unwillingness to provide money for foreign policy purposes.



The typical officer knows more about foreign politics than he does about the U.S.



A Courrages 1987 design, as the world of fashion shifts back to the miniskirt. Page 7.

had been in the Foreign Service for 30 years.

Before taking over the Latin American policy job, he had served under Republican and Democratic presidents as ambassador to El Salvador, Guatemala and South Africa and as the State Department's director of intelligence and research.

In Britain, France or West Germany, election results may lead to modest changes of direction in foreign policy, but they have only marginal effects on the career diplomatic services of those countries.



Senior diplomats must learn the language of American domestic politics.

GENERAL NEWS

- A UN commission warned that unbridled growth threatens the Earth's survival. Page 6. Two Lebanese brothers held by Bonn made a joint appeal to Beirut relatives to free two West German hostages. Page 2. India, citing an emerging Pakistani nuclear threat, is considering a shift in its nonmilitary nuclear policy. Page 6. Soviet rock musicians, in the era of glasnost, say their day has come. Page 2. A year after the Chernobyl accident, European nations forge ahead with their nuclear programs. Page 5. BUSINESS/FINANCE Chrysler Corp.'s profits fell 24.4 percent for the first quarter. Page 11.

By traditional Foreign Service standards, those credentials would have entitled Mr. Bowdler to a major ambassadorial appointment from the new administration.

What happened at the State Department in the early days of the Reagan administration seemed to demonstrate how vulnerable the Foreign Service bureaucracy is to political shifts.

In Britain, France or West Germany, election results may lead to modest changes of direction in foreign policy, but they have only marginal effects on the career diplomatic services of those countries.

Joseph McCarthy, Republican of Wisconsin, made it fashionable to allege that incompetence and treason of professional diplomats was responsible for the gains made by the early 1950s, when Senator Jo-

U.S., Japan on Path to Accord Both Sides Say Meeting Will Focus on Causes of Trade Rift

By Leonard Silk New York Times Service NEW YORK — The United States and Japan are struggling toward a resolution of the underlying causes of their bitter trade dispute.

On the surface, the trade rift will be the focal point of talks this week in Washington between Mr. Reagan and Prime Minister Yasuhiro Nakasone. In fact, what they really will be addressing is the fundamental cause of the dispute: the painful transition to a more balanced economic relationship.

Behind the push by the two nations for reconciliation is a heightened realization in Washington and Tokyo of how interdependent the countries have become. This notion became more pronounced among some politicians and business executives after President Ronald Reagan's imposition of punitive tariffs on Japan for allegedly violating an agreement on semiconductor chips with the United States, and the fears of a trade war that action provoked.

The United States will press Japan to accept a greater burden of leadership in global economic affairs, reflecting its position as the second-biggest economy in the world, U.S. officials say. Proposals that the Japanese are carrying with them may go some distance toward dealing with these concerns, according to Japanese sources.

The Other Face of India: Bihar Is Poor, Lawless, Violent

By Steven R. Weisman New York Times Service GAYA, India — Across the parched plains of eastern India, weary sharecroppers harvest wheat under a blazing sun. But at day's end, they have no money, little to eat, and no land to call their own.

During the 1980s, problems that had riddled the service for years came to the surface; new criticisms challenged traditional ways of doing business; morale plunged; future prospects dimmed.

peasant militias have "executed" landlords, decapitating them, and leaving their bodies and heads in nearby fields.

Bhubhan, a civil-rights activist connected with the Sinha Institute in Patna, a research organization serving the Bihar government. "It's on racial lines, because 90 percent of the burjans are black and the upper castes are light-skinned or white."

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On the U.S. side, calls for countermeasures against Japan are intense. Protectionist pressures in Congress, especially by the Democratic majority, are rising. One executive, after taking soundings in Washington, said, "They're just as adamant on the trade issue in private as they are in public."

Japan Hopes to Lift Sanctions Soon President Reagan said he hoped the United States could lift the sanctions before long. In Tokyo, Mr. Nakasone said the United States failed to carry out a commitment to reduce its budget deficit. Page 9.



# 'Glasnost' Thrusts Rock Music Into the Open

By Christopher Boian  
*International Herald Tribune*

PARIS—From his black leather necktie and skin-tight spangled blue jeans to the tips of his pointed blue shoes, Alexander Sitkovetsky carries all the trappings of a rock star. In the era of glasnost, or "openness," in the Soviet Union, his day has come.

"This is a very special time for rock music in the Soviet Union," he said with a broad grin. "I would have to say that we are going places."

Life has changed dramatically, said Mr. Sitkovetsky, 32, the leader of the Soviet rock band Autograph, which is on its first tour of France.

"When I began in the late 1960s," he said, "I can tell you, things were very different than what they are today."

In the last few years, many Soviet rock musicians have found themselves the beneficiaries of official encouragement.

"This new government support of rock music is directly connected to all of the changes that are happening in the Soviet Union now," Mr. Sitkovetsky said.

Despite its gains, Soviet rock music generally remains timid compared to Western rock.

To be considered for a contract with Melodiya, the state recording monopoly, a band must submit all of its lyrics for approval. References to sensitive political circumstances in the Soviet Union—particularly to the war in Afghanistan—are censored, as are overtly sexual lyrics.

The new official attitude toward rock music, Mr. Sitkovetsky said, only made it easier for young musicians to do what they had been doing for years.

"Rock music has been a part of Soviet culture since the late '60s and early '70s," he said. "But I think that for a long time many officials saw it only as a passing fashion. Now they realize that it is a popular and permanent art form."

An example of what another Soviet rock musician refers to, somewhat wryly, as "glas-

nost on the road" was the government sponsorship of a rock concert last year in Moscow to raise money for the victims of the Chernobyl nuclear disaster.

"The Chernobyl concert included not only the older official musicians," Mr. Sitkovetsky said, "but also several new bands that have become quite popular with Soviet youth."

Until recently, all but the most subdued rock bands in the Soviet Union were often confined to illicit nightclubs and low-quality bootleg recordings, and were consistently condemned in the official press.

**'When I began in the late 1960s, I can tell you, things were very different than what they are today.'**

— Alexander Sitkovetsky, Soviet rock musician

But in the past few years, a turnaround has taken place.

In 1985, the government established the Moscow Rock Laboratory, one of several organizations that offer amateur rock bands the opportunity to play publicly under official sanction.

"Of course rock'n'roll in the U.S.S.R. has been influenced by Western bands and trends," Mr. Sitkovetsky said. "But Soviet bands have a uniquely Russian sound. That does not mean that Soviet rock is balalaikas plugged into amplifiers. But we have a great tradition of musical composers to draw from—Tchaikovsky, Stravinsky, Rachmaninoff—and I think it shows."

Each of the members of Autograph is a classically trained musician, but they cite Western bands such as the Rolling Stones and Genesis among their favorites.

The growing official acceptance of rock in the Soviet Union has also generated debate among musicians. While some believe that official government approval of rock can only benefit the bands and their audiences, others perceive it as a government trap, an attempt to use rock music as a political tool.

Alexander Kan, a Leningrad rock critic, summarized the contradiction that occurs when government intervenes in what is traditionally a rebellious, anarchic musical genre. He told the New York Times recently, "It is a breakthrough, but still every sound, every record has to be approved."

Komsomol, the youth branch of the Communist Party, which has been under pressure to increase enrollment, has turned to rock music as a means of soliciting members.

The organization has sponsored rock clubs in towns and cities throughout the Soviet Union, and has organized rock festivals such as one held last month at the Palace of Culture in Moscow, with the aim of bringing Soviet youth together in the name of officially sanctioned rock.

"No, we do not feel we are being used by the government," Mr. Sitkovetsky said. "Of course it is good for us that they have taken a real interest in our music. But we are professionals and I think we are just beginning to have some success at it."

Autograph was the only East bloc band to participate in Bob Geldof's Live Aid concert in 1985 for African victims of famine. Their performance took place in a Moscow television studio and was transmitted by satellite.

A recent article in Komsomolskaya Pravda, Komsomol's official newspaper, quoted a well-known Western rock band to argue in favor of the new official attitude toward Soviet rock music.

"In the '60s the Beatles were the lukes 'back in the U.S.S.R. You don't know how lucky you are," the article said. "It seems they were right."



Alexander Sitkovetsky, right, performing recently at the spring festival in Bourges, France, with Johnny Lyon of the American group Southside Johnny and the Asbury Jukes.

## WORLD BRIEFS

### Sri Lanka Halts Raids on Rebel Areas

COLOMBO, Sri Lanka (UPI)—The Sri Lanka government ended five days of air strikes Monday that were aimed at punishing Tamil separatists for the bus terminal bombing that killed 109 people last week. But the government warned that the raids could be resumed at any time.

It provided no casualty toll for the bombings of separatist-controlled areas of northern Sri Lanka, but the government claimed earlier that 80 people had been killed in the first attacks.

Meanwhile, the police dispersed thousands of mourners at a Buddhist memorial service for victims of the bombing outside Colombo's main bus terminal. No serious incidents were reported at the service, but an officer said policemen moved in when the crowd grew to about 3,000 because of fear that it could get out of control.

### Iran Reports Gains in Northeast Iraq

NICOSIA (AP)—Iranian forces, flown in by helicopter, advanced 15 miles (24 kilometers) into the mountains of northeast Iraq in a new Gulf offensive and killed or wounded 2,700 Iraqis, Iran's press agency said Monday.

The Islamic Republic News Agency quoted military communiques as saying the Iranians have liberated 37 villages and captured more than 90 square miles (233 square kilometers) of eastern Sulaimaniyah Province in heavy fighting.

The agency, monitored in Nicosia, said Iranian forces Monday crossed the Qezel River northwest of the provincial capital in the second phase of the drive launched Friday and occupied the northern slopes of the Gamou and Shamsheh ranges. There was no immediate comment from Baghdad on Iran's latest claims. On Sunday, an Iraqi spokesman said the assault had been repulsed with heavy Iranian losses.

### U.S. Installation Near Manila Attacked

MANILA (UPI)—The headquarters of the Joint U.S. Military Advisory Group in a Manila suburb was attacked Monday by gunmen who fired from a car and three grenades, causing minor damage but no injuries, the police said.

A caller told a Japanese news agency in Manila that a group called the Jihad Brigade was responsible. The caller said the attack "was connected to the bombing in Greece." A bomb attack on a bus carrying American military personnel injured 18 people outside Athens on Friday. A leftist group claimed responsibility, saying it was a protest against the presence of U.S. military bases in Greece.

A Philippine armed forces spokesman, Colonel Honesto Isleta, said the attackers fired automatic weapons at the concrete buildings of the headquarters in Quezon City and then threw five grenades into the compound.

### Finnish Coalition List Is Completed

HELSINKI (AP)—Harri Holkeri, the negotiator appointed by President Mauno Koivisto to organize a new government, completed plans Monday for a coalition that would include his conservative party for the first time in two decades.

Mr. Holkeri, 50, a former chairman of the conservative National Coalition Party, announced that he would present his list of proposed ministers to the president Wednesday.

The conservatives were the biggest winners in the elections last month with a gain of nine among the 200 seats of the Eduskunta, or parliament. They now hold 53 seats. The Social Democrats, who have dominated Finnish politics for 50 years, hold 56.

### For the Record

Israeli military authorities ordered Monday the expulsion of a Palestinian student leader suspected of inciting violent demonstrations at a university on the occupied West Bank. *Muhammad Barghouti, 26, is chairman of the student council at Bir Zeit University. (AP)*

A Yugoslav court has postponed the execution of Andrija Arukovic, 57, who was convicted in Yugoslavia of ordering the deaths of more than 1,000 persons during World War II. He was extradited in February 1986 from Seal Beach, California. *(UPI)*

Seventy-nine Roman Catholic priests went on a hunger strike Monday in Kwangju, South Korea, joining 15 priests who began a fast there last week. They want the South Korean government to resign and allow free elections. *Catholic officials said. (Reuters)*

## TRAVEL UPDATE

Spain's Iberia airline was forced to cancel flights Monday after a slowdown strike by maintenance employees led to a shortage of serviceable aircraft, a spokesman said. Meanwhile, Spain's air controllers have called off a six-day stoppage scheduled for next month after talks with authorities, union sources said Monday. *(Reuters)*

Italy's railroad system was paralyzed Monday when 220,000 employees staged a 24-hour strike to support union demands for raises and greater investment in the network. Officials said the strike blocked all local and long-distance passenger and freight trains. *(Reuters)*

British Airways is installing video cameras at Heathrow Airport on which it said passengers could register complaints or compliments. The cameras will be placed in booths in two of the four terminals. "They will have one minute in which to record their message," a spokesman said. "We're hoping it will bring forward constructive criticism, but obviously we're going to have people complaining." *(Reuters)*

## Police Fight Terror Suspects Seek Release of Germans in Beirut

### Students in Cape Town

By James M. Markham  
*New York Times Service*

BONN—A jailed Lebanese terrorist suspect and his brother have written to their relatives in Beirut urging them to free two West Germans who have been held hostage there for three months, according to a senior official.

The West German official, who has close knowledge of the case, said that the terrorist suspect, Mohammed Ali Hamadeh, 22, and his brother, Abbas Ali Hamadeh, 28, had made clear in their joint appeal that there would be no movement on their legal situation until the two Germans were freed.

The initiative coincides with what appears to be a toughened West German position on a case that has been followed with keen interest in the United States.

## BIHAR: India's Other Face

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## CHINA: Goal on Arms

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## JAPAN: Meeting Will Focus on Trade Dispute's Causes

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## ARMS: Kohl Fails to Forge Position

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## DIPLOMATS: A Troubled Decade Gets Harder for U.S. Foreign Service

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### Students in Cape Town

midday rally to protest a South African Army commando raid in Zambia on Saturday in which four persons were killed. After the rally, students marched around the campus.

Some students were arrested, the government-controlled South African Broadcasting Corporation reported. It was one of the most violent campus disturbances since a nationwide state of emergency was declared in June 1986.

There were no immediate official reports of injuries, but a journalist who was at the campus said at least four students were hit by birdshot and others were injured by whips.

The government's Bureau for Information said the police fired tear gas and used whips on students after police and private vehicles were stoned. It said officers fired birdshot when they feared the tear gas would spread from the campus to a highway.

Reporters at the campus said the first clash occurred after some marchers threw stones and bottles at a police car.

Reporters said about 100 police officers were involved in the clashes, during which students ejected and set fire to a barricade at the university's main entrance and later barricaded themselves in the student union building.

The bureau said about 300 students were involved in the unrest.

### Students in Cape Town

Prime Minister Robert Mugabe of Zimbabwe has said Pretoria's raid on Zambia over the weekend was aimed at catching more votes for South Africa's ruling party in next month's whites-only general elections, Reuters reported from Harare.

### Students in Cape Town

Richard N. Perle, U.S. assistant secretary of defense for international security policy, said on Japanese television April 4 that Washington wanted any pact cutting medium-range missiles to include Asia.

### Students in Cape Town

Washington has presented a draft treaty outline on medium-range missiles March 4, Soviet delegates then requested a full plenary meeting of medium-range negotiating groups so that Moscow could present what the Kremlin called its "new proposals."

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The Soviet Union offered its formal draft language Monday for a treaty on medium- and short-range nuclear missiles, United Press International reported from Geneva.

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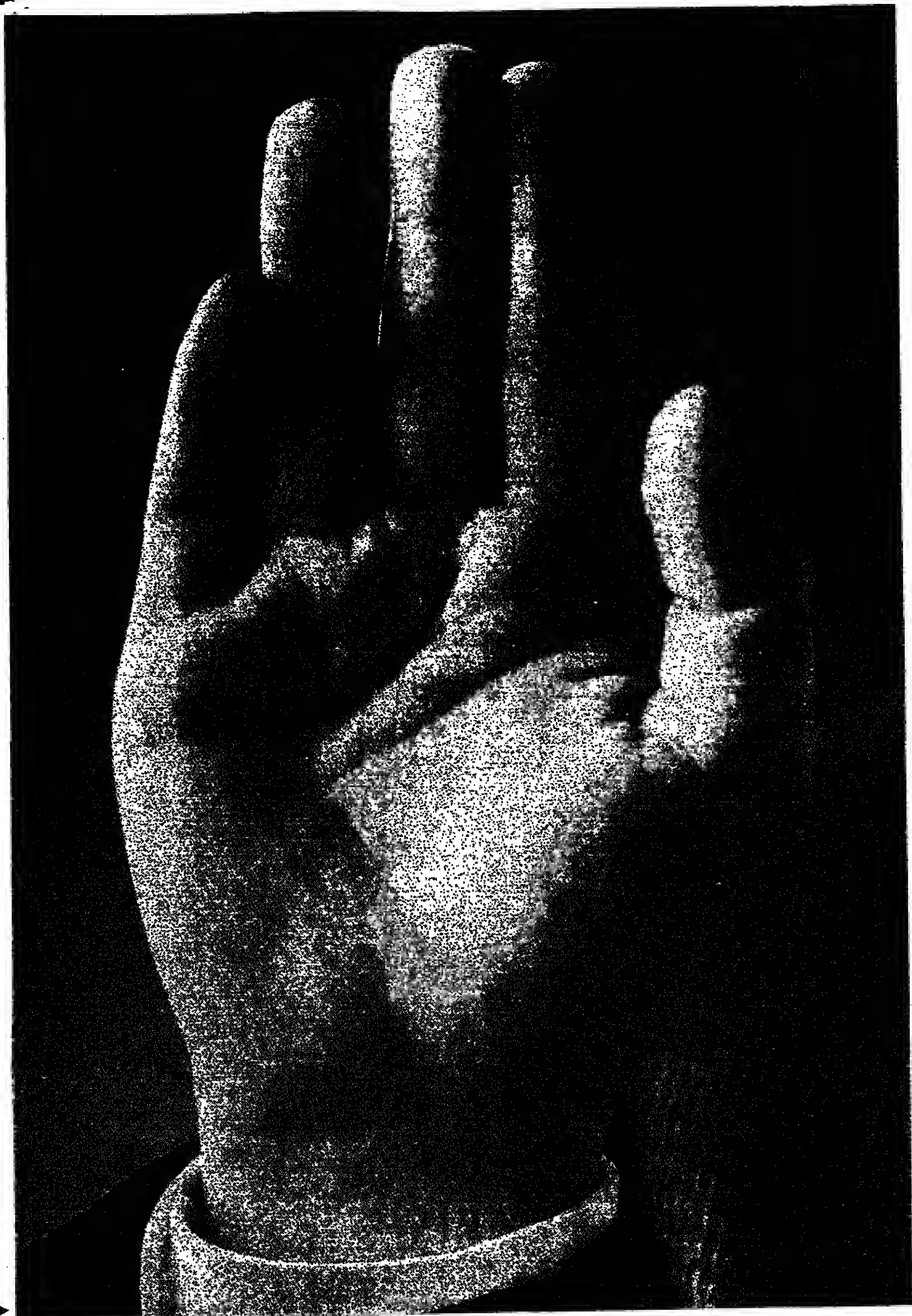
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**RIEFS**  
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**Manila Att...**  
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**Is Complete**



**WHAT DOES  
 OLYMPUS MEAN FOR  
 TRUTH? ▶**

In the highly specialised field of materials testing, it is no longer possible to hide the truth about unseen imperfections. The industrial coating that is marginally thinner than specified. The damage to a car's bodywork concealed beneath the artistic cover-up of a welder. The truth of the matter is that ultrasonic microscopes from Olympus provide a whole range of practical ways and means to see things as they really are, inside and

under the surface. And without destroying the material, so that the truth remains nothing but the truth.

It is a technology that reflects both the innovative nature of our company and the forward-thinking attitudes and outlook of our staff, who believe that people are just as important as machines.

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 SCIENCE FOR LIFE



Herald International Tribune

Published With The New York Times and The Washington Post

For Japanese Action

Japan's reported plan to put up \$30 billion for loans to Latin America is a welcome sign of global responsibility, albeit late. But generous gestures by a nation grown rich on export surpluses must not distract from fundamental responsibility — to cut those chronic and disruptive surpluses.

Prime Minister Yasuhiro Nakasone presents his loan plan and other intentions to President Reagan this week. All of his ideas show progress, but applause is premature. Mr. Nakasone already has a backlog of unfulfilled promises to Washington.

Indeed, the atmosphere for the Reagan-Nakasone talks is wretched. The two largest industrial powers, heavily dependent on each other, are at loggerheads over trade and economic policy. America has an intolerable trade deficit, Japan a heavy surplus. Both resist difficult moves to correct the imbalances. Washington's politicians blame Japan for a deficit largely made in America. Japan drags its feet on internal restructuring demanded by its global role. Both leaders have been crippled politically. Mr. Reagan struggles after the Iran-contra affair. Mr. Nakasone's authority has been drastically weakened by the defeat of his sales tax proposal.

Rather than stand up to protectionist pressure from semiconductor makers, Mr. Reagan has imposed stiff tariffs on electronic products to punish Japan for its overwhelming success with computer chips. Senior emissaries of both governments spent last week rehearsing this and other points of friction. They got nowhere. This week, even while Mr. Nakasone visits, the House will take up the

foreign trade bill. There is intense heat from labor and industry to burden the bill with import restrictions aimed directly at Japan.

Mr. Nakasone's package, according to advance reports, adds to previous commitments to beef up government spending on projects that stimulate domestic consumption, to increase government purchases abroad and to open Japan's doors to more American goods and services. Loans for Latin America would be new, and particularly auspicious because Japan has concentrated on building up its own part of the world.

This would not be its first move to help other areas; recently Tokyo made contributions and loans to the International Monetary Fund, the World Bank and other agencies — all appropriate to its number two ranking, and all a long time coming.

Details of the new loan plan are said to be incomplete. Apparently there would be little direct government-to-government lending; more likely would be government funds funneled through multinational agencies or private funds with government guarantees. Also helpful, Japan would not require the borrower to buy Japanese goods — a restriction on past loans that added to the export surplus.

Credits, welcome as they are, do not fill the need for an assault on that surplus. That must come from other measures. For the good of Japan as well as other nations rich and poor, the Japanese economy must grow faster, import more and consume production that now goes for exports. If Japan means to be a leader, here is the chance.

— THE NEW YORK TIMES

Wrong on Pakistan

Pakistan is determined, at the least, to become able to build nuclear weapons, and it is gambling that its most powerful ally, the United States, will not do anything about it. The vote in the Senate Foreign Relations Committee the other day says that so far Pakistan is right.

The United States has committed itself to do whatever it can to prevent the spread of nuclear weapons — and, its law says, that includes cutting off all foreign aid to a country that violates the prohibition. But Pakistan provides the crucial supply routes and staging areas for the guerrilla resistance to the Soviet occupation of Afghanistan. This is a genuine dilemma. But there are, at a minimum, signals that can be sent and steps that can be taken which, while not inhibiting the Afghan resistance, at least would not seem so complacent and fatalistic on the U.S. part about accepting what the Pakistanis are up to on their bomb.

It's just that the United States will not take such measures. The Foreign Relations Committee was unwilling to vote even for a partial reduction of aid to Pakistan, as a warning. That was a bad vote.

Once, a decade ago, the United States suspended aid to Pakistan because of its nuclear ambitions. But after the Soviet invasion of Afghanistan it reversed itself. Congress enacted a special exemption to the law to get aid flowing again. Pakistan blandly denied any nuclear intentions, but was obviously continuing to work on weapons. In 1984, President Reagan wrote to President Zia ul-Haq expressing concern and warning of severe consequences if Pakistan began enriching uranium above the level that power plants use. By late last year it was clear that they were enriching to weapons grade and beyond. Washington keeps shaking its finger angrily, but Pakistan has learned that it can safely ignore all finger shaking, congressional restrictions and presidential warnings.

Attempting to defend his vote against any penalty for Pakistan, Senator Christopher J. Dodd declared that cutting off aid "hasn't worked with India and won't work with Pakistan." It is true that the Indians have been very tough negotiators on nuclear fuel and other related matters since they exploded a bomb in 1974, and that such international criticism as they incurred at the time has not exactly put them out of the nuclear business or made them resolve all the ambiguities that still mark the line between their peaceful nuclear projects and the capacity of those projects to be turned to nonpeaceful purposes. But the Indians have been more cautious and restrained.

In regard to Pakistan, the United States has been unable to find a balance between the two policies that it is trying to pursue. Meanwhile, Pakistan progresses slowly but steadily toward making South Asia a very much more dangerous place.

— THE WASHINGTON POST

Play That SDI Card

President Reagan is fond of saying that the Russians are tough bargainers. They are, and thus most what is happening to "star wars," his key bargaining chip in the strategic arms talks. He is on the verge of losing it.

Mr. Reagan's vision of a Strategic Defense Initiative may never be achievable in space but it has packed a powerful diplomatic punch. Moscow has shown itself willing to pay a high price in reducing offensive arms to slow the program down. But now the dream and the punch are fading. Fast Congress expects to cut the funding request in half. Equally devastating, a group of leading American physicists concludes that it would take 10 years even just to assess whether critical star wars components would work.

The administration fights back, assailing cuts as irresponsible and the physicists' report as "unduly pessimistic." These responses carry little weight in Washington. How long will they carry weight in Moscow?

If Mr. Reagan ever expects anything for star wars at the negotiating table, he had better try it soon. If not — if he still insists that it is not a chip at all but a practical strategic program — he needs a prompt, persuasive answer to the physicists' doubts. Otherwise the United States will pay an enormous price for his stubbornness.

Moscow offers to cut by half its strategic land-based missiles, particularly the large ones, in return for President Reagan imposing restraint on star wars. But if Washington restrains the program first, Moscow will demand more of us later.

Arms control advocates tend to disdain bargaining chips or the idea of developing weapons for trading purposes. But the record demonstrates their effectiveness — if the weapons are in fact cashed in rather than kept in the arsenal.

President Nixon used an earlier anti-ballistic missile system to win the first freeze on Soviet missiles. Mr. Reagan had a chance to use the new MX missile to gain cuts in Soviet missiles. At the start of his administration, Congress stood ready to buy at least 200 because he argued that they were needed as bargaining chips. But he

insisted on going ahead with construction rather than negotiation, only to see Congress sharply cut the number of MXs. Moscow pocketed the concession. Its qualms notwithstanding, Congress went along with the administration for four years, until it became convinced that Mr. Reagan would not trade MXs for Soviet SS-18s.

In the case of star wars, Congress has also gone along with the administration, despite even deeper doubts. Few legislators ever bought Mr. Reagan's dream of space-based defenses rendering nuclear weapons "important and obsolete." Fewer still wanted to undermine his bargaining power. So the star wars program was more than doubled, even as research plans threatened the critically important anti-ballistic missile treaty, and even as it became plain that millions were being wasted on ill-considered projects.

"Ill-considered" would be a kind summary of the new report from the American Physical Society, the premier group of its kind. The Pentagon gave it access to all the relevant classified information. Although the panel acknowledged "substantial progress," it concluded that "significant gaps" remain in the understanding of lasers and particle-beam weapons, so central to star wars. The panel also termed the system's survivability in space "highly questionable."

Perhaps of greatest significance to the arms talks, the panel said that more than a decade would be needed before it would be possible to pass further judgment. That fits well with discussions at the Reykjavik summit meeting, where the two sides neared agreement on pledging not to withdraw from the ABM treaty for 10 years. The administration now offers only seven years, but that difference obviously can be worked out.

Even with negotiated limits, star wars research will continue. Virtually all sides realize that this is necessary and prudent. In this sense, Mr. Reagan's vision can be protected. But the chance to bring about a large cut in powerful Soviet missiles will be jeopardized unless Mr. Reagan moves now to cash in the expendable parts of his dream.

— THE NEW YORK TIMES

The Arms Debate: Bet on Shultz and Nitze

By James Reston

WASHINGTON — There is going to be some kind of agreement with the Russians on the control of nuclear weapons. On that most observers agree. But many of the most experienced minds in Washington are divided on what it should be. Ironically, the objections in this next phase of the long controversy are not coming from those who oppose a verifiable agreement with the Russians but from some of its most influential advocates.

For example, former Secretary of State Henry Kissinger and Brent Scowcroft, the White House national security adviser from 1975 to 1977, both think that the Reagan administration's policy, while "superficially attractive," is seriously flawed.

Mr. Scowcroft insists that the deployment of U.S. Pershing and cruise missiles in 1983 was undertaken primarily to reassure European allies that America was irrevocably linked to the defense of Europe. What, he asks, are they to think when it now proposes to remove the missiles? Are they to tell their people that the sacrifice they called for such a short time ago was a mistake? How can this reversal be seen as anything but a weakening of that linkage assurance?

Many thoughtful Europeans are asking the same thing. But there is a problem. If the United States refuses to negotiate on the "star wars" program and abandons its own proposal to eliminate medium-range missiles, how will it get the verifiable agree-

ment now supported by both Ronald Reagan and Mikhail Gorbachev?

This is the question being asked by Secretary of State George Shultz and his principal adviser on nuclear policy, Paul Nitze. They see the merits in the Kissinger-Scowcroft reservations, but are concerned that in this critical negotiating phase the complex of perfection will overwhelm the advantages of the possible.

With Mr. Shultz and Mr. Nitze at his side, Mr. Reagan has a good chance of winning this argument in Congress. Mr. Shultz and Mr. Nitze are quiet survivors. They have gone over the advantages and disadvantages of the proposals with the noisy opponents of an arms agreement, most of them now retired, and are convinced that their present position, while not ideal, will retain a nuclear deterrent even without the medium- and short-range missiles.

They are also convinced that the problem of verification, so long a barrier to agreement, can now be removed, and that America will lose everything if it falls apart in pressing for the unattainable.

They are not saying that their compromises are free of chance, but merely that the time has come to take a chance on peace.

Aside from the arguments of Mr. Kissinger and Mr. Scowcroft — and, perhaps more important, the doubts of Senator Sam Nunn of Georgia,

who has great influence on Capitol Hill — two other factors stand in the way of consensus in Washington.

One is the hangover of the Reykjavik summit, followed by the Iran-contra scandals, all of which shook confidence in the administration's judgment both at home and in the other allied capitals.

The other is the suspicion that Mr. Reagan is too eager for a foreign policy triumph in the last months of his term to redeem his failures.

It would be a mistake to believe that Mr. Shultz and Mr. Nitze, of all people, are preoccupied with the president's historical record, as much as they like him. They are serious, nonpolitical men, no less concerned with the vital interests of the republic than are Mr. Kissinger and Mr. Scowcroft. They may have their limitations but these do not include being too trustful of the Russians.

Mr. Nitze has been negotiating with them for more than a generation. He had trouble with President Carter precisely because Mr. Carter thought he was too skeptical and even hostile toward the Russians.

Also, although Mr. Kissinger and Mr. Scowcroft do not like the Shultz-Nitze formula, nobody in Washington has more respect for these two. Mr. Kissinger used to say that if he had to choose the character and experience of any man to be president of the United States, he would choose those of George Shultz.

That may not be the judgment of all members of the Senate, who have their own well-known personal preferences, but when it comes to the point of decision, the chances are that the quiet survivors will prevail.

The New York Times

Without the SS-20s, Zero Makes Sense

THE alliance determined that it needed in-theater missiles capable of threatening targets on Soviet territory because of Soviet deployment of missiles of less than intercontinental range, i.e. SS-20s, that threaten NATO countries from Soviet territory. The alliance also determined that elimination of the SS-20 and other Soviet missiles of its class would remove the need for NATO deployments. In other words, the U.S. INF missiles were intended to reassure the allies about the continued effectiveness of NATO's deterrent strategy in the face of SS-20s. As the allies themselves made clear, such reassurance would be unnecessary, given the other U.S. contributions to NATO's defense, if the SS-20s were eliminated, as the zero option does.

— Paul H. Nitze, special assistant to the president and the secretary of state on arms control matters, writing in The Washington Post.

But Battlefield Nuclear Weapons Should Go First

By Les Aspin

The writer, a Wisconsin Democrat, is chairman of the House Armed Services Committee.

WASHINGTON — The Reagan administration has embraced the concept of eliminating nuclear missiles from Europe with an enthusiasm unseen in an administration that treated arms control like a party for its first six years in office.

I would like to welcome any convert to the cause. My one problem with the Reagan conversion is that it excludes more zeal than rationality. The Reagan plan for nuclear weapons in Europe would have us eliminate the weapons we should keep and keep the weapons we should eliminate.

There are three categories of nuclear weapons in Europe. First, there are long-range intermediate-range nuclear forces, or LRINF. (The terminology is ridiculous, but we're stuck with it.) These are missiles with a range of 600 to 3,000 miles (1,000 to 5,000 kilometers). Second, there are short-range intermediate-range nuclear forces, or SRINF. These are missiles with a range of 300 to 600 miles. Finally, there are battlefield or tactical nuclear weapons, which include land mines, artillery shells and truly short-range missiles.

Both we and the Soviets have long-range INF missiles. One is the Pershing-2 and GLEAMS whose deployment in the early 1980s prompted so many anti-nuke marches in Europe. As for short-range INF missiles, we have none and the Soviets have about 140. Both of us have thousands of battlefield nuclear weapons.

Of the three categories, the most dangerous are the battlefield nuclear weapons. In the event of a Soviet attack, allied forces will be struggling to avoid losing ground and commanders will be asking to use battlefield nuclear weapons before

their positions are overrun. In the most tense and unenviable days of any war, the first few days, anxious officials will be faced with a decision on resorting to nuclear weapons. It is the worst choice anyone can face: Use 'em or lose 'em.

We ought to be moving field nuclear weapons away from the battlefield. Modern technology gives missiles fired from a thousand miles away roughly the same accuracy as an artillery shell fired from a dozen miles away. And a missile sitting a thousand miles from the battlefield has two other advantages: First, it is in no danger of being overrun, and second, it is much easier for NATO headquarters and political leaders to keep control over use.

But what are we negotiating with the Russians? Ronald Reagan has proposed eliminating all long-range INF missiles. Mikhail Gorbachev has proposed that we eliminate both long-range and short-range INF missiles from Europe, and Secretary of State George Shultz has accepted that as the goal of the upcoming Geneva talks. That will leave us with battlefield nuclear weapons — precisely the ones we ought to be eliminating.

Mr. Reagan is not a convert to arms control. He is a nuclear disarmer. Disarmers simply want to abolish whole categories of nuclear weaponry, thinking that the world is better off by virtue of our having fewer numbers of weapons.

But the point is not just to reduce numbers. The

point is to reduce the chances of an outbreak of nuclear war. In that regard, some nuclear weapons are more dangerous than others. Battlefield nuclear weapons are one of the most dangerous. Sloppy missiles that are vulnerable to attack are another. Again, the danger is that if you don't use them you take the chance of losing them.

Ironically, the battlefield weapon problem is one we have the ability to solve unilaterally — a rare instance where unilateralism is a real option. We ought to replace battlefield nuclear weapons unilaterally with weapons of greater range. Don't even try to negotiate with the Soviets — we'll never reach a verifiable agreement. Some of these weapons are so small that one man can carry them. But the double zero agreement we are working on with the Soviets — zero LRINF and zero SRINF — makes such a unilateral restructuring illegal.

It all comes down to a question of the purpose of arms control. While it would be nice to reduce the numbers of weapons, that is not the real point of arms control. Blind submission to reductions could actually make the world less safe.

While it may be desirable to reduce Pentagon budgets, that is not the real purpose of arms control, either. Less reliance on nuclear weapons actually means more reliance on conventional weapons, which is a more costly route to take.

The purpose of arms control — the bottom line, in today's parlance — is to make the outbreak of nuclear war less likely. By that definition, neither the ideas of Ronald Reagan nor the ideas of Mikhail Gorbachev pass muster.

The Washington Post

Bad Habits Take Time To Change

By Hobart Rowen

TOKYO — Americans as well as Japanese who care about the relationship between their two countries have a feeling of foreboding. There is a sense in Tokyo that the current trade conflict is qualitatively different from the frequent "tantrums" of the past decade.

The worry is that Japan and the United States may be on a collision course because, although critical measures that each country needs to take are obvious, the politicians in Tokyo and Washington are not equal to the task of shifting gears in time.

At the end of three intensive days of talks at the seventh Shimoda Conference at Oiso, former Secretary of State Cyrus Vance, after noting the increasingly tense economic buildup, said: "On bilateral security and political relations, our countries are closer than ever before. That is a precious thing we must cherish, and make sure we don't do anything to upset it."

The talks showed, however, that old habits on both sides of the Pacific are frustrating a commonsense approach. Everyone present conceded that Japan must further expand its economy to provide a better standard of living for its citizens and must drop trade barriers that keep out some foreign goods.

And everyone, including the U.S. congressional delegation, was for a big slash in the American budget deficit, for reducing the federal debt. No one advocated relying on drives to the dollar down as the single solution to the massive American trade deficit.

Japan is caught in a time warp in



which too many of its influential leaders think it can profit from a free, international trading system without paying its dues. The mercantilists, notably Prime Minister Yasuhiro Nakasone, are desperately trying — but so far unsuccessfully — to bring the Liberal Democratic Party along.

Mr. Nakasone has made promises to his friend "Ron" that he can't keep — at least in the necessary time frame. Unless he pulls a rabbit out of the hat on his visit to Washington this week, he will have to leave office after the Venice summit next month — a victim, according to Japanese critics, of being too friendly to America.

On the American side of the issue, Democrats and Republicans talk a good budget-deficit cut but do little to bring it about. They have yet to take the critical legislative steps that

would encourage management and labor to become more competitive.

The House majority leader, Tom Foley, threw a pall over the Shimoda talks by reporting that the GATT agreement would pass in the House on April 20, and be defended to the end by Chairman Dan Rostenkowski of the Ways and Means Committee. Mr. Gephardt would arbitrarily force a reduction in Japanese and other "excessive" surpluses.

"In the United States, the attitude is growing that Japan is not trading fairly, not opening its markets, not pulling its weight on the international scene," Mr. Foley said. Polls show a "tendency toward protectionism," and politicians more and more are lining up on the side of protectionism, whatever their own real view."

William Schneider of the American Enterprise Institute noted that there no longer is the consistency for free trade that once existed among businessmen, farmers and consumers. "It's even becoming respectable to be called a protectionist," he said.

What is needed is radical action to change these mind-sets on both sides. The Japanese view — that they have played by the rules and enjoyed a great success now rivaled by the rest of the world — is easy to understand. But for Japan to continue to prosper, its partners must also be able to do so.

America must quit using Japan as a convenient scapegoat for its own inadequacies, especially for failures in the quality of its education, reflected in the quality of the products it sells.

The huge global trade deficit means that America is doing something wrong, something that closing its borders with a protectionist bill will not cure. For example, about half of the U.S. trade deficit with Japan comes in the auto and auto parts sector. American cars are getting better, but they are still not as good as

Japanese cars, so company people in Detroit will admit privately.

Yet as the higher yen forces Japanese car prices higher, do American manufacturers keep their prices steady, looking for increased market share, or do they push them up, looking first to fatten profits?

The gloomy tone of the Shimoda conference reflected a view that changes necessary on both sides will take time and that in the short term the situation can deteriorate. There is some evidence from Japanese data that in volume terms a turnaround in the trade deficit began last year. But the best guess among economists is that it will not begin to show up in dollar terms until this fall. By that time the trade bill may be history.

The Washington Post

People Talk Wishfully Of Europe

By Flora Lewis

PARIS — There is a new buzz of talk about European consolidation of all kinds: economic, monetary, social, military. It is as if a vital new momentum were building up, the kind of determined surge that led to the Common Market 30 years ago. But it is not clear that there is political will as well as vaporous wish behind the words. They are the familiar words, and they are not yet moving anything.

The impulse has come from a series of freshly vivid apprehensions. The likelihood of a U.S.-Soviet arms control agreement has renewed awareness of how much Europe leans on the United States for its security (even in France, which pretends to a totally independent defense) and fears that Americans might pull out some day.

The threat of trade wars, brought into focus by the U.S.-Japanese confrontation on computer chips, has sharpened the realization that European industry is still too fragmented to reach its potential and that European agricultural policy is a drag.

Members of the Community are committed to making their market really common by the end of 1992, only five years away. A new Action Committee for Europe, patterned on the old Jean Monnet group that argued and chafed and led the Common Market into existence, has been established. It is preparing reports for early next year on how to advance integration (but the word is no longer used; it has become too audacious) and create a "European pillar" in the alliance. But nothing is happening yet.

Former President Valéry Giscard d'Estaing and former Chancellor Helmut Schmidt have been trying to cook up some new proposals for Franco-German defense cooperation as the core of a greater European defense effort. But neither has much weight in his own country anymore.

There has been a lot of talk in France about how it must be admitted that the French security border is on the Elbe. West Germany's eastern frontier, and not on the Rhine. Allusions are occasionally made to the idea of extending the mission of France's nuclear force to shield West Germany, filling what gap may be left by withdrawal of American missiles.

Yet an opinion survey published by the French Foreign Ministry this month showed that in the event of an attack on West Germany, 63 percent think the president should not fight but start negotiations, 17 percent think he should not threaten to use nuclear weapons but fight by all other possible means, and 11 percent think he should threaten nuclear retaliation, if the invasion rolls through Germany and is about to enter France, the number who want negotiations drops to 41 percent, resistance by all non-nuclear means rises to 28 percent, and resort to the nuclear threat to 21 percent.

These are reasonable figures, given the nearly 30-year-old French policy of reliance on nuclear deterrence at the expense of conventional forces, and the apparent broad consensus supporting the policy. The people seem to have stopped listening to the politicians, and vice versa.

The London newswire The Economist has presented the irrefutable logic of Western Europe's need to build up conventional strength so as to reduce dependence on nuclear deterrence, and the need to do it jointly so as to reduce costs. There is general applause. No action.

In the field of industry, there have been hopes of anger as mergers and alliances are made without regard for EC ties. At a recent meeting, a Spaniard argued that the big multinationals should do more to build up partners in EC member countries. A Dutch businessman answered sharply that the Dutch multinationals consider themselves global, not primarily European.

All this shows that Europeans have not lost their knack for incisive analysis. They know what is wrong and what needs to be done about it. They even volley back and forth the demand for someone to take the initiative, and then they go home satisfied that the call of duty has been answered.

There is a pervasive passivity when it comes to moving on from words to deeds, advancing practical matters and pushing them through. Maybe this is superficial. Perhaps under the froth there is some real ferment, stirred by the pressure of events, that is about to break out.

Britain's Margaret Thatcher, who probably will call elections for June and be re-elected, is the only leader now seen as capable of putting muscle behind talk. But she has not shown much interest in adding Ms. Europe to her list of concerns. Why? Europe does need to pull itself together, and the debt-ridden, dollar-worshipping United States needs a stronger Europe, too.

The New York Times

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: From the Titanic

NEW YORK — A further list of bodies identified on board the cable steamship Mackay-Bennett has been received [on April 27] in a wireless message by the White Star Company, PHILADELPHIA — A telegram to Mr. G.A. Kahn, the banker, says it has been found impossible to preserve covered from the wreck of the Titanic by the Mackay-Bennett. It has therefore been buried at sea.

LONDON — Five hundred persons were present at the service held by the American Society in London [on April 26] in memory of a former president and other victims of the Titanic disaster. The choral rendering of "Nearer, My God, to Thee," which the Titanic's orchestra played just before the liner sank, moved many to tears.

1937: Guernica Fronted

FRANCO-SPANISH FRONTIER — Striking with all the force of modern warfare, scores of air bombers operating in conjunction with General Mola's army wiped out half a dozen towns and villages behind the Basque front lines in a series of the most murderous air raids to date. The towns of Bofor, Alabardero and Guernica were completely destroyed and are now burning graveyards. Of Guernica, all that remains is the ancient parliament house and the century-old oak tree where the provincial council used to meet for their deliberations. According to Basque sources, more than 800 civilians were killed in Guernica in a first raid, while only corpses were left among the burning ruins after the passage of a second group of bombers.

LET editor's note: Although reports at first gave the date as April 27, Guernica was bombed on April 26.

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Vertical advertisement on the right edge of the page, partially cut off. Visible text includes "Up the S", "You Get", "Nuclear E", "Arrests Six O", "2 FOR", "2 NIG", "2 PERS".



OPINION

Give Up the Smoking Habit And You Get the Last Grin

By A.M. Rosenthal

NEW YORK — So there I was, 13 years old, the smallest boy in my freshman class at DeWitt Clinton High School, smoking a White Owl cigar.

friend and colleague collapsed. I held his hand while he lay on a stretcher in the medical department, and I feared he would die. He was a smoker.

ON MY MIND beyond measure: the feeling of self-control, the elation of freedom from addiction, and self-esteem.

Catch 'Em Young THE kinds of messages cigarette companies use — sexual success, attractiveness, social prestige and even the sense of rugged, individualistic risk-taking behavior — are particularly appealing to young people.



The civilians are getting out of hand.

For a Stable Middle East

Regarding "A Jordanian Appeal: American Jews Can Help" (April 20) and "Middle East: For Leadership to Help Make Peace" (April 21) by Mohamed Kamal.

SEAN R. MCKEON, Paris.

On Misery and Marketing

Regarding the article "Maker of 'Bag Lady' Doll Gets Dressing Down From U.S. Group" (April 18).

LAUREL POSTMA-MENNE, Leiden, Netherlands.

When Everything at My Place Is Japanese

By Lance Contrucci

NEW YORK — After reading continually about the crisis over trade with Japan, I personalized the issue.

track minimesterpieces? I can imagine works like "Marketing Director's Daughter" and "Take This Job and Show Me How in Maximizing Production So That My Contribution Will Be More Valuable to the Company and the Country."

LETTERS TO THE EDITOR

The term would not exist if there were not thousands of women without shelter who have to carry their meager belongings in bags.

The Agony Can Be Eased Regarding "Why Drag Out the Agony With Expensive Machines?" (April 16).

A Page From RCA's Book Regarding "U.S. Publishers Getting Less Bookish" (Business/Finance, April 13).

Open discussion of such matters by family members, physicians and patients would benefit all and might lead to similar sensible and humane laws being adopted in other states.

While the average chairman of the board would be more interested in having a Sidney Sheldon in his corporation, the situation may not be as dire as it seems.

If corporate book publishers could be persuaded to set up small, subsidiary printing operations for quality litera-

ture, with losses offset by profits from pulp, letters would not suffer too badly.

KELLEY DUPUIS, Frankfurt.

A Master With a Lens Your April 3 front page carried a photograph of what I first took to be another Old Master painting up for sale at a record price.

ROSE E. GONZALEZ, Barcelona.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address.

GENERAL NEWS

Nuclear Europe Is Unswayed by Chernobyl

By Paul Lewis, New York Times Service. PARIS — A year after the Chernobyl disaster sent a cloud of radioactive debris drifting across much of Western Europe, those European countries already committed to nuclear power are pushing ahead with their nuclear programs.



Citizens in Moscow pay tribute to firemen who died in the Chernobyl accident a year ago.

Sweden Displays New Lightweight Fighter Plane

LINKÖPING, Sweden — Sweden introduced a new supersonic fighter plane Sunday that aviation analysts said would put the country in the forefront of a race to build lighter and cheaper military aircraft.

Bulgaria Leader Visits Soviet

MOSCOW — Prime Minister Georgi Atanasov of Bulgaria arrived in Moscow on Monday to resume a visit that was postponed in February when he became ill.

Libya Arrests Six Over Poppy Seeds

VIENNA — Six Austrians working in Libya have been arrested and accused of importing poppy seeds, a Foreign Ministry spokesman said Monday.

Organization for Economic Cooperation and Development in Paris

Organization for Economic Cooperation and Development in Paris concluded that the Chernobyl accident was specific to a particular type of Soviet reactor and did not call into question the safety of Western reactors.



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# Crises to Environment, Economy Threaten Humanity, UN Warns

**United Press International**  
LONDON—A United Nations sponsored world commission began an effort Monday to protect the Earth's environment from the pressures of population growth and unbridled economic development.

## Interlocking Crises

Philip Shabecoff of the New York Times reported earlier from Washington: The report warned that the world is facing "interlocking" crises that threaten the future of humanity. The commission, created by the UN General Assembly in 1984, concluded that "sustainable human progress" can be achieved only through a system of international cooperation that treats environmental protection and economic growth as inseparable.

The study points to a series of environmental trends that "threaten to radically alter the planet" and many of its species, including people. Among these trends are the alteration of the Earth's atmosphere by the burning of fossil fuels, the destruction of the protective ozone layer by manufactured chemicals, the destruction of tropical forests, the accelerating extinction of plant and animal species, the spread of

deserts, the acid poisoning of lakes and forests, and the poisoning of air, soil, and water.

These trends can be reversed, the report stated, but only by a concerted effort to solve the related problems of poverty, hunger, rapid population growth, excessive spending on arms, and the inequitable distribution of wealth that afflicts much of the world, particularly the developing countries.

The report was prepared by 21 commissioners who conducted public hearings on five continents. It is the first major international report on the global environment as an essential ingredient for the salvation of the Earth's biological support systems.

Because of this dimension, it is likely to achieve broader acceptance than previous warnings about the global environment such as the Club of Rome's report, Limits to Growth, and the Global 2000 report issued by the United States during the administration of President Jimmy Carter. Those reports did not offer specific solutions that considered economic needs.

The chairman, Mrs. Brundtland, was to arrive in Washington on Tuesday to present the report to President Ronald Reagan.

A. Alan Hill, chairman of the White House Council on Environmental Quality, which is coordinating the administration's review of the report, said "there are themes in that report we are very supportive of and there are themes that we don't agree with."

One of the things the administration "is not enamored with," he said, is the report's conclusion that there must be a transfer of resources from the wealthy industrial countries to the poorer developing nations.

"What we do see as important is the message that economic growth and development will help solve environmental problems," Mr. Hill said. "When the century begins," the report said, "neither human numbers nor technology had the power radically to alter planetary systems. As the century closes, not only do vastly increased human numbers and their activities have that power, but major unintended changes are occurring in the atmosphere, in soils, in waters, among plants and animals, and in the relationships among all of these."

The rate of change, it stated, "is frustrating the attempts of political and economic institutions which evolved in a different, more fragmented world, to adapt and cope." The recent famine in Africa illustrates the ways economics and ecology "can interact destructively and trip into disaster."

"Triggered by drought, its real causes lie deeper," it said. They are to be found in national policies that gave too little attention, too late, to the needs of smaller-holder agriculture and to the threats posed by rapidly rising populations.

The report contended that global military expenditures, which it said now total about \$1 trillion a year, use resources that might be employed "more productively to diminish the security threats created by environmental conflict and the resentments that are fueled by widespread poverty."

The report said affluent nations should adopt "lifestyles" that do not overtax the Earth's resources, that reduce the per capita use of energy. It also said that nations must consider the ecological dimensions of policy at the same time they consider economic, trade, energy, agriculture, and other policy dimensions in order "to anticipate and prevent environmental damage."

Over the past decade there has been broad recognition of the "cost-effectiveness" of investments in controlling pollution and in preventing ecological damage. The report called on financial institutions, particularly the World Bank, to increase its investments in these areas.

Finally, the report called for the creation of institutions and legal supports to fill the rapidly widening gaps in national and international laws to protect the environment. It called on the United Nations to act quickly to transform the report into a "UN Program on Sustainable Development."



## Goetz Trial Begins in New York

Two members of the Guardian Angels, volunteers who patrol New York streets and subway to deter crime, wished Bernard H. Goetz luck on Monday as his trial began on charges of shooting four men in a subway. Mr. Goetz, 39, contended the men tried to rob him. The 1984 shootings touched off a national debate on the right of individual self-defense and vigilantism.

## India Considers Shift in Nuclear Policy

**By Sanjoy Hazarika**  
New York Times Service

NEW DELHI—India's top defense official said Monday that New Delhi was considering changing its nonnuclear policy because of an "emerging nuclear threat" from Pakistan.

"Our response will be adequate to our perception of the threat," Defense Minister Krishna Chandra Pant said in Parliament.

Mr. Pant said that the Pakistani nuclear program was "forcing us to review our options." Pakistan has denied that it has a nuclear weapons program although its leaders, including President Mohammed Zia-ul-Haq, have been quoted extensively in New Delhi defending its right to conduct a nuclear program for peaceful purposes.

"All the evidence available indicates that Pakistan is continuing to pursue its nuclear program," Mr. Pant said. He also sharply criticized the United States for ignoring what he called "Pakistan's search of military nuclear capacity."

He and other officials were apparently upset by reports from Washington over the weekend that the Senate Foreign Relations Committee rejected a proposal urging the withholding of large amounts of aid to Pakistan for continuing with a purported drive for nuclear arms capability.

The proposed cuts would have trimmed \$100 million from the \$625 million U.S. military and economic assistance to Pakistan for fiscal 1988.

The aid is part of a proposed \$4.02 billion assistance package to be spread over six years.

U.S. intelligence sources have been quoted as saying that Islamabad had enriched uranium to weapons grade level.

India detonated what it called a "peaceful nuclear device" in May 1974, rekindling international concern over the spread of nuclear weapons.

It has several reactors capable of producing weapons-grade plutonium. Both India and Pakistan have

# Alien Amnesty Program in U.S. In Disarray as Startup Nears

**By Peter Appleboone**  
New York Times Service

NEW YORK—A week before the start of the amnesty program established under the new U.S. immigration law, many of the information and counseling networks designed to guide aliens through the legalization process are confused and in disarray.

Although problems vary from city to city, officials with church and counseling groups say the Immigration and Naturalization Service has had to struggle to organize the amnesty program, which begins May 5, by congressional order.

They say logistical problems and inadequate preparation are adding confusion and uncertainty to the legalization process, much of which will rely on volunteer workers. As many as 3.9 million aliens could apply for legal status.

"We're at the 10th hour," said Joe Murray, chairman of the North Texas Immigration Coalition in Dallas. "We are about to go over the dam, and we can't do anything about it. If the bill goes into effect in May, we will discriminate against the people we are trying to help."

Mr. Murray's organization recently asked Texas congressmen to try to get the amnesty program delayed for a year to allow the immigration service, churches and agencies enough time for education and planning. The attempts have been unsuccessful.

INS officials acknowledge that there have been problems in starting the program, but they say it has proceeded relatively well, considering its complexity and the time constraints.

"I'm convinced most of the people are ready to go," said E.B. Duarte, director of the INS Outreach Program. "The most productive agencies will be up and running on that day. Some others may not be ready until May 15 or June 1. I'm amazed at what has been accomplished in these six months. We've literally had people working day and night to get ready."

Some immigration officials say the problems with the amnesty program are minor when compared with the swelling tide of illegal immigration the new law was designed to address.

"Nothing could be more of a mess than what we have now with a country full of illegals," said the service's Chicago district director, A.D. Moyer.

The new law, which was signed by President Ronald Reagan on Nov. 6, offers legal status or amnesty to illegal aliens who entered the United States before Jan. 1, 1982, and have lived in the country continuously since then. The application period begins May 5 and ends May 4, 1988.

Beginning June 1, immigration officials will enforce another section of the law, which prohibits employers from hiring illegal aliens.

A network of churches and other agencies will advise aliens on the law and on how to document their residency status. They will also help them prepare applications. Those organizations include counseling groups operating independently and designated groups called Qualified Designated Entities, which have been selected by the INS.

Most of the designated entities were announced in the past week. The list is still being completed. Many groups have been counseling aliens for months, and will con-

tinued to aid them whether they are designated by the government or not. But the delay in designation, which confers some additional processing responsibilities and a modest government payment of \$15 or \$16 per application, has caused problems for others.

"It leaves these groups with many, many questions," said the Reverend Ronald T. Marino, director of legalization for the Roman Catholic Diocese of Brooklyn and Queens in New York. "Do they hire staff? Do they print stuff or not? Do they start training? No one knows."

A contract for a national advertising campaign to inform aliens about the amnesty program was awarded two weeks ago.

In some cities, such as Houston, where the immigration service's local office has sponsored 104 forums for aliens and employers, officials have made efforts to spread information on the number of aliens who applied for legalization.

But the slow pace of the national educational campaign has frustrated and angered many organizations working with aliens.

Ira Kuzban, a Miami immigration attorney and president-elect of the American Immigration Lawyers Association, said studies in other countries had shown that advance notice and education were key factors in the number of aliens who applied for legalization.

"The government has defaulted in its responsibility to educate the public about legalization," he said. "One can only wonder about the government's sincerity in insuring that many aliens come forward. There are many aliens who won't come forward because of a lack of education about it."

But Richard Reeder, executive director of the Polish Welfare Association in Chicago, said his group has good rapport with the federal immigration service, and he is optimistic about the process. An estimated 32,000 Poles are expected to apply for legal status in Chicago.

In the Polish community, there is a generally positive feeling for what the legalization process is going to do, he said.

## U.K. Will Sue Papers Over Spy Book

**The Associated Press**  
LONDON—The British attorney general said Monday that he would start contempt of court proceedings against three British newspapers for publishing excerpts of a book, which is banned in England, that alleges misdeeds by Britain's counterintelligence service.

The Independent, a comparison daily, devoted its entire front page Monday morning to detail allegations from "Spycatcher," the memoirs of Peter Wright, a retired operative of MI5, the counterintelligence agency.

The government tried to block publication of the book in Australia, where Mr. Wright lives in retirement, saying that he was unauthorized to publish because he had signed the Official Secrets Act. The New South Wales Supreme Court rejected the arguments and the British government is appealing.

The publisher of "Spycatcher," Heinemann, said it would sue The Independent for breach of copyright. As a private hearing Monday before High Court Judge John Roch, the Independent agreed not to publish further material from the book until the case was heard. No hearing date was set.

After The Independent published the excerpts, two afternoon papers, the London Evening Standard and the London Daily News, repeated Mr. Wright's allegations that about 30 members of MI5 had plotted to topple Sir Harold Wilson as prime minister in 1974.

Many of the details in Mr. Wright's book had previously been published in two other books, "Their Trade Is Treachery" by Chapman Pincher, and "The Great M.I.5 Operations 1947-72" by Nigel West.

The government has won court injunctions preventing two British papers, The Guardian and The Observer, from publishing excerpts of "Spycatcher."

Sir Michael consulted "his ministerial colleagues," the statement said, indicating that Prime Minister Margaret Thatcher had been involved in the decision to prosecute the three dailies.



Norway's prime minister, Gro Harlem Brundtland, displaying the UN commission's report, "Our Common Future."

## Coping With Marriage to a Homosexual

**By Georgia Duillea**  
New York Times Service

NEW YORK—Every other Sunday or so they gather in a living room on the Upper East Side of Manhattan to reflect on their lives as wives of homosexual or bisexual men.

Each woman contributes something to the potluck supper held after the meeting and, since the meetings tend to get teary, a group leader, Aurele Samuels, contributes the Kleenex.

The scene is "like a floating crap game," Ms. Samuels said. Some women appear at one or two meetings and are never seen again. Others return for months and even years, until they have talked enough and drawn enough strength from the group to come to terms with their marriages.

Seated in the circle on recent Sunday were a dozen women, mostly mothers, each at a different point in a common journey.

A woman in the antiques business recalled watching, with mixed emotions, as her husband of 22 years moved out of their house in New Jersey. The parting was painful, she said, even though she has been seeing a man "who makes me feel like a woman again."

A Brooklyn schoolteacher called her husband's lover "a friend" and

ber sexless marriage "a compromise." She and her husband belong to a support group of couples "in the same boat," she said.

Increasingly, the AIDS crisis is focusing attention on the once-hidden lives of women whose partners are homosexual or bisexual. It is raising concern as well that the partner's sexual behavior, past or present, places the women at grave risk of acquired immune deficiency syndrome.

Sex researchers estimate that about 20 percent of the U.S. male homosexual population, or four million men, marry at least once. No one can say how many of their wives may be at risk of AIDS because of the many variables; for example, the extent of the husband's sexual activity inside and outside the marriage.

Health authorities are concerned that wives who are unaware their husbands are homosexual cannot make informed choices. The women in the support group knew and yet, they said, the disease does not dominate their discussions or even their thoughts.

"He practices 'safe sex,'" is a common remark. Or, "He's only involved with one man. The man? I'm sure he's not promiscuous."

When Ms. Samuels began working with the group five years ago, nobody mentioned AIDS.

"Today," she said, "they're talking about it, but unfortunately not nearly enough."

She added that she has encouraged at least 65 female partners of homosexuals or bisexuals, half of them group members, to be tested for the virus. Only two women in the group have done so, she said, both with negative results.

Fear is part of the reason. Another part is the belief, expressed by an

interior designer in her 30s, that another piece of bad news would do too much to bear.

The truth often comes as a shock, to judge by the preliminary results of a study by Ms. Samuels and Dr. Dorothea Hays, an Adelphi University associate professor of nursing. Its findings, published in the Journal of Homosexuality, were based on the responses of 36 women to a 28-page questionnaire exploring their experiences as the wives of homosexual or bisexual men and the mothers of the men's children.

Roughly 85 percent of the women said they believed the men were heterosexual when they married. Those who knew otherwise said their reason for marrying was not "to cure him of homosexuality." Like most others, they said it was love.

Drawn from support groups for such wives in Boston, New York, Philadelphia and Washington, the women in the survey ranged in age from 32 to 62. The average age was 47. Most had college degrees and professional jobs. At the time of the survey they had been married an average of 19 years and had discovered the man's sexual orientation four years earlier.

It was often years later that the women realized that the blame they had assumed for strains in the marriage and the explanations they had

invented for their husbands' puzzling behavior made no sense.

Noting that half of the women were married and living with their husbands at the time of the survey, Dr. Hays added: "Some are still holding on for dear life in spite of the fact that it doesn't feel so good. They deny a lot, which is true of abused wives and alcoholics' wives."

Still only three of the wives surveyed insisted they would never divorce. All were married to men who identified themselves as bisexuals with their only female partners being their wives. The wives felt free to have affairs with other men under open-marriage contracts.

Many other marriages in the survey were troubled well before the man's sexual activity came to light. Gradually, the wives recalled, the men grew moody and began to withdraw from them first physically and then emotionally. As one woman put it, "It felt like he was doing me a favor when we made love."

Starting into the mirror, others decided it was their fault. They dieted, exercised, bought sexy nightgowns, to no avail.

"I remember thinking, 'Oh, he's found somebody else,'" a schoolteacher in the support group said. "I was on the right track, but I never dreamed it was a man. When he told me I said, 'You can't be gay.' If he were effeminate maybe that would have crossed my mind."

Six years later, their daughter is now 9 and their marriage remains intact, although sexual relations stopped three years ago.

"That's not to say we're not close in other ways," the schoolteacher said. "Our straight friends have so many problems — alcohol, drugs, wife abuse, poor communications. Just because they have sex doesn't make their marriages any better. The fact that my husband is happy in his relationship helps our relationship because he doesn't bring home any worries."

For others, the adjustment was harder. The disclosure left them feeling bewildered, jealous, betrayed, angry, guilty, disgusted and repulsed.

## East Bloc Said to Sell Contras Arms

**Stockholm**

STOCKHOLM—An arms expert working for a Swedish arms research institute said Monday that two Warsaw Pact countries had sold large amounts of ammunition to U.S.-backed rebels in Nicaragua.

Thomas Ohlson, a researcher at the Stockholm International Peace Research Institute, said it was well known in military research circles that Poland and Romania had supplied ammunition to the Nicaraguan rebels, known as contras.

He said the bill for the ammunition had been paid by the United States, which backs the contras in their fight against the Sandinista government of President Daniel Ortega Saavedra.

"This is an example of where commercial interests are placed ahead of political and strategic considerations in the international weapons trade," Mr. Ohlson said.

The Stockholm International Peace Research Institute, an independent body funded by the Swedish Parliament, claims to have the world's only public data bank on international arms trade. The organization documents the peace of the arms race and military spending.

Mr. Ohlson said the sales to the Nicaraguan rebels demonstrated that the United States, which has been criticized for secretly selling arms to Iran, was not the only country where ideology was ignored in the name of weapons contracts.

"It just goes to show there are no nice guys in the arms trade," he said.

Mr. Ohlson said the two East bloc countries sold the ammunition to acquire Western currency, which they considered a higher priority than support for Mr. Ortega's Marxist government.

"As far as large weapons systems are concerned, it is naturally the political and strategic interests which dictate who may buy," he said.

## Howe and Lange Clash On Nonnuclear Stance

**Wellington, New Zealand**

Britain and New Zealand clashed sharply Monday over Wellington's nonnuclear policy, particularly Prime Minister David Lange's ban on ships that are nuclear-powered or carry nuclear weapons.

Mr. Lange and the British foreign secretary, Sir Geoffrey Howe, who was ending a nine-day Asian and Pacific tour, exchanged remarks over the ship ban and New Zealand's military policies, with Sir

## VISA: Waldheim Barred

**Wellington, New Zealand**

Nations secretary-general from 1972 to 1982, has been the center of a controversy since March of last year, when allegations surfaced that he was involved in war crimes by Hitler's army in the Balkans. He denies the charges.

Mr. Eastland said the Justice Department, after a year-long inquiry, ordered "as required by law, that Kurt Waldheim's name be added to the watch list."

The Holzmann Amendment to U.S. immigration law, enacted in 1978, prohibits entry to any foreign national who assisted or otherwise participated in activities amounting to persecution during World War II. In barring Mr. Waldheim as a private citizen the United States is the first country to decide that such evidence exists against him.

A senior department official, who requested anonymity, said they found Mr. Waldheim played a wide role in persecutions by Nazis in the Balkans and in Greece from 1942 to 1945, assisting or participating in:

- The transfer of civilian prisoners to the German SS for exploitation and slave labor. The SS was Hitler's elite corps of troops and concentration camp guards.
- The mass deportation of civilians to death camps.
- Anti-Semitic propaganda, including calls for the elimination of Jews.
- Turning over Allied prisoners to the SS. (AP, UPI, Reuters)

## Indonesian Opposition Charges Ballot Rigging

**Jakarta**

The opposition United Development Party has filed protests in Thursday's general elections, contending that there had been ballot rigging and tampering with vote counters in Aceh and Riau provinces, a party official said Monday.

With results in from all but a few remote areas, the governing Golkar Party took 72.95 percent of the 85.6 million votes, a sharp improvement on the 64 percent it won in the last elections, in 1982. At stake were 400 of the 500 seats in parliament.

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ARTS / LEISURE

The Short Shift Back to the Miniskirt

By Bernadine Morris  
New York Times Service

NEW YORK — The miniskirt is back. For the first time since the 1960s, women who follow fashion are shortening their skirts, or rolling them up at the waist to see how they look and feel with more leg showing.

In a rare display of unanimity, designers in the world's leading fashion centers here and in Europe focused on short skirts in their recent collections for fall. Most of them, deciding to forget about "scholar" and "regimental" (catchwords for the last few years), showed hemlines that bared the knee and, frequently, half the thigh as well.

Although fall clothes won't be in the stores until July and August, the race is on. Department stores with alterations departments, such as Saks Fifth Avenue here, report that women are bringing in new and old skirts to be shortened a dozen at a time.

"I'm going to have this dress done again," said Jill Krenetzky, the photographer. "The last time I had it done mid-knee. Now it has to be above the knee. I've been having my skirts shortened one inch a week."

"I just bought this skirt last week and everybody tells me it's too long," said Cynthia Gibbons, who was shopping at Bloomingdale's last week. "I'm used to wearing Perry Ellis down to my ankles and I feel I'm really exposing my legs, but I guess I'll have it shortened." Her hem was about an inch above her knees.

Not every woman is enthusiastic about very short skirts. Isabelle Leeds, buying summer clothes on the Manhattan's East Side, said she was determined to keep her knees covered "because I'm tall and there's such a thing as too much leg."



Bill Blass's mink-beam mini (above), and Calvin Klein's lace suit.

and are easier to get around in. "It will be the year of the short skirt, and women will want to look sexy," said Kalman Rottenstein, fashion director of Bloomingdale's.

"They will shorten their skirts instead of having a face lift," said Marjorie Deane, of Tobe Associates, a fashion merchandiser.

The last hemline-shortening spree began with Mary Quant in London in the early 1960s and was given worldwide prominence when it was picked up by André Courrèges in his Paris couture collection in 1962. Rudi Gernreich and Jacques Tiffeneau were its proponents in the United States.

For the next eight years hemlines were on the rise, with many women experiencing a sense of rejuvenation as they turned up their skirts a little at a time. At first hemlines grazed the knee. By the end of the 1960s skirts were the shortest they had been in recorded history, far shorter than flappers had worn them in the 1920s.

Then came the debacle. In the collections for fall 1970, hemlines descended abruptly, by as much as 18 inches, from mid-thigh to the lower calf. Again, the change originated in Europe, but was quickly picked up by designers in this country.

The protests were immediate. Women declared that they would no longer be dictated to by fashion designers. They refused to buy long skirts. Stores suffered and many manufacturers went out of business.

Hemlines settled somewhere in the vicinity of the knee, but the placement was not significant. Fashionable women everywhere turned to pants. Even older women, who never wore trousers except in pants suits.

Meanwhile, skirt hemlines quietly began their descent until mid-calf length became commonplace in the 1970s and the early 1980s. Near-ankle lengths began winning adherents in this country last fall, and have remained popular this spring.

Still, some fashion designers, including most of the couturiers in Paris and Geoffrey Beene and James Galanos in the United States, strongly favored skirts near knee length.

Many collections in recent years offered a choice of hem length. A woman could wear a short skirt one day, a long one the next and trousers the third, and many did.

The popularity of short bubble skirts for evening last winter has helped prepare customers for the show of legs to come.

The differences between the short clothes of the 1960s and the styles offered today are considerable. Then, the basic daytime style was a shift dress with no waistline, in a smooth fabric such as wool gabardine or cotton poplin.

Today, fabrics are far more elaborate. Textured, three-dimensional surfaces and such patterns as checks, abstract designs and florals add interest to styles that have a more formal air.

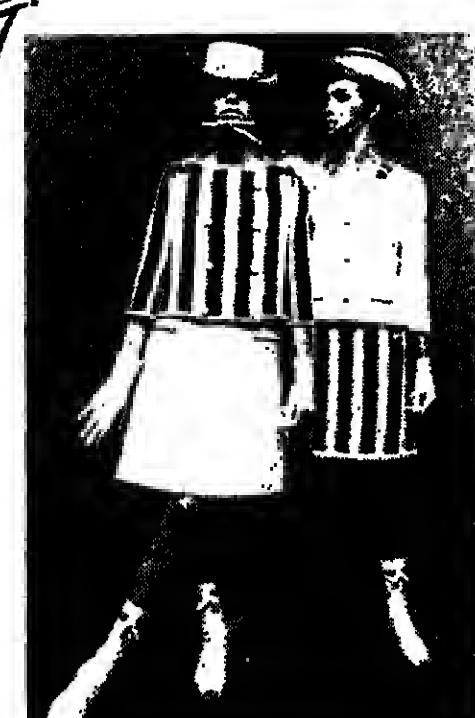
Suits and jackets, almost ignored in the 1960s, are in the forefront of fashion now. Clothes are more shapely, with waistlines generally marked and hiplines often rounded.

The exaggerated padded shoulders that have dominated clothes for a decade have receded in favor of a curved, feminine silhouette. Shorter skirts are an almost inevitable part of this significant change in fashion.

Technology has made short clothes easier to wear. Stretch fabrics allow clothes to fit the body closely without inhibiting movement.

And panty hose, invented toward the end of the last short-skirt era, make short skirts practical. Most designers have endorsed opaque panty hose to avoid a look that is too leggy. In dark shades, these hose also offer some camouflage for women concerned about the shape of their legs or, more specifically, their knees.

"The shift to short clothes has started," Saltzman said. "Women have accepted them more enthusiastically than we predicted. They say it makes them feel happier as well as younger. That's what fashion is all about."



Courrèges design 1987 and, below right, his minis of 1965.

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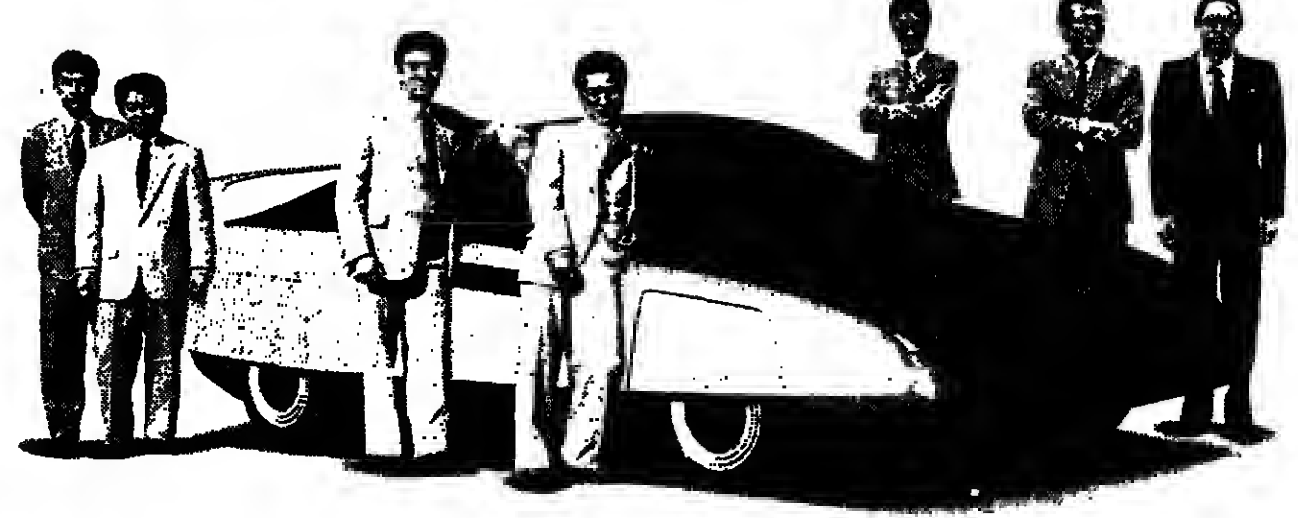


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INTERNATIONAL STOCK MARKETS

After Seoul's Intervention, Stocks Are Marking Time

By PATRICK SMITH
International Herald Tribune

SEOUL — Among the most significant players on the Korean Stock Exchange is one that does not own any stock. Foreign investors fortunate enough to get into this highly protected market simply have to accept periodic "administrative guidance," as the government likes to call its interventionist forays, as part of the front-end fee.

Justifiably concerned about inflation and manipulation by local share syndicates, financial authorities have set themselves up as the most brazen manipulators of all. Hence the market's recent downturn and the running in place it is expected to do over the next month or more.

A variety of forces pushed the Seoul exchange's composite index to a record 405.13 on March 31, an uninterrupted rise of 80 percent over the previous five months. Export growth of 35 percent last year and 35 percent in the first quarter, has swelled the money supply, while the government has already sought to check inflation by clamping down on property speculation.

Not surprisingly, share turnover on the exchange has grown fourfold since the index began its current climb last November. Given the short supply of stock in this tiny market, the index has nowhere else to go. "We've seen some fairly reckless investing," said W. Todd Kibborn, the senior analyst here for James Capel & Co. "Individuals and corporations have been dumping just about everything they can get their hands on into shares."

On Monday, the index ended at 355.36, down two points from a half-day session on Saturday. Volume was 17.5 million shares, a drop of more than three-quarters from March records.

Mr. Kibborn and others say the market's fundamentals are healthy enough to push the index to 500 or more by the end of the year. But that may not be the level at which the Finance Ministry and the central bank would like it.

Shortly after the index pierced 400, the government acted to dampen prices by requiring local institutional investors to sell part of their shareholdings and purchase central bank bonds intended to absorb excess liquidity. Once this policy was disclosed, the market quickly lost almost 10 percent of its value.

SHARE PRICES are currently stable and are not expected to begin another advance before June at the earliest. "The long-term trend is still up," said George Robinson, who represents W.I. Carr (Overseas) Ltd. in Seoul. "But institutions still have an awful lot of stock that has to be sold over the next month or so."

Ironically, the market's basic buoyancy is grim news for foreign investors, who had hoped South Korea would permit them to hold shares directly by the end of this year. One widely accepted deadline for this decision was Oct. 19, when convertible bonds worth \$20 million, issued to overseas investors by Samsung Electronics Corp. two years ago, are to mature.

It now appears likely that the government will postpone the conversion date. For one thing, unexpected current-account surpluses mean South Korea no longer needs foreign equity investment to the degree planners anticipated several years ago. For another, financial authorities appear reluctant to give up the tight control they can exert over local investors.

Most observers now expect the market to be opened by early 1989 at the earliest. Government officials suggested last week that they may wait until 10 percent of the population owns stock — 3 percent now do — or until the number of listed shares climbs from its current 358 to 1,000.

This month, the \$30 million Korea Europe Fund was added to the indirect vehicle available to foreign investors. Like the Korea Fund on the New York Stock Exchange, the London-listed Eurofund shot to a premium significantly above its issue price, trading at roughly \$25 per share, compared with a par value of \$10.71.

Funaro Resigns In Brazil Changes Seen On Debt Issue

Compiled by Our Staff From Dispatches

SAO PAULO — The architect of Brazil's moratorium on payment of its foreign debt, Finance Minister Dilson Funaro, announced his resignation Sunday night, possibly paving the way for an end to the country's confrontation with its foreign creditors and a rapprochement with the International Monetary Fund.

Mr. Funaro, 53, said that he had informed the ruling Brazilian Democratic Movement Party of his departure and that he would formally resign after meeting Monday with President José Sarney.

Economic analysts had said that animosity between Mr. Funaro and U.S. bankers had impeded agreement on rescheduling Brazil's debts which, adding borrowing from governments to bank loans, total \$110 billion and make Brazil the Third World's largest debtor. A foreign banker had said that Mr. Funaro's departure was "pretty much a precondition for getting serious negotiations under way."

A businessman and friend of the president, Mr. Funaro took over Brazil's most powerful cabinet post to September 1985. In February, he provoked widespread consternation among Brazil's creditors when he announced the suspension of interest payments on \$68 billion worth of commercial loans, then insisted on a renewal of lending by banks without offering domestic adjustments in response. He rejected IMF monitoring and persuaded Mr. Sarney to do the same.

In his talks with creditor governments, Mr. Funaro pressed the ruling party's insistence that they share responsibility for the debt burden and that Brazil not sacrifice economic growth in order to pay interest. But he lost the party's support when its younger faction said his post-moratorium economic policies induced recession. (WP, Reuters)



President Miguel de la Madrid, who has so far been unable to solve his economic crisis.

Mexico's Reducing Plan Is Debated Skeptics Question Drive to Trim Fat in State Sector

By Larry Rohrer
New York Times Service

MEXICO CITY — When President Miguel de la Madrid was elected five years ago, the Mexican government owned 1,155 companies, including a restaurant and nightclub, several chains of movie theaters, a soft-drink manufacturer and a bicycle factory.

Since then, more than 500 have been ordered sold, closed or merged into others as part of the administration's effort to overhaul the state sector.

While officials say the objective is to get rid of inefficient companies and make the remaining state enterprises more productive, critics say that the numbers are misleading and that far too little has been accomplished.

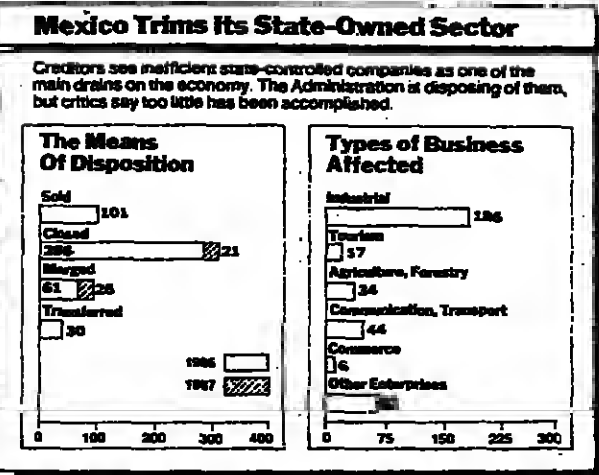
The drive to make the government-owned companies, which are known as paraestatales, leaner and meaner has a particular urgency in view of the economic crisis. Mr. de la Madrid inherited and has been unable to resolve. The Mexican economy contracted 4 percent in 1986, inflation over the past 12 months was running at 114 percent a year and the foreign debt, at \$100 billion, is one of the world's largest.

Creditors, including both commercial banks and international organizations such as the World Bank, see the inefficient state-controlled companies as one of the main drains on the economy.

In 1985, the state companies employed more than 750,000 people, or 5 percent of the total Mexican work force, and accounted for 72 percent of the country's foreign exchange earnings.

Many of the companies they have offered for sale are things nobody really wants.

— Economic analyst



The New York Times Service

Dollar Recovers To Close Higher In New York

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rebounded Monday from a postwar low in Tokyo to close higher against major currencies in New York.

The recovery, which began earlier in Europe, followed widespread intervention by central banks, apparent tightening by the Federal Reserve Board and verbal support from the White House.

Dealers in New York said the market now perceives that the Reagan administration is serious about halting the dollar's slide and this could promote higher rates Tuesday.

In New York, the dollar rose to 139.40 yen from 139.35 at Friday's close; to 1.7930 Deutsche marks from 1.7845; to 5.9870 French francs from 5.9495, and to 1.4685 Swiss francs from 1.4585.

The dollar was also higher against the pound, which closed at \$1.6585, against \$1.6605 on Friday. As the dollar rose, gold plunged from a trading high of \$477.50 an ounce to close at \$474, and silver from \$11.25 to close at \$7.80, to hectic selling that began as mild profit-taking when the Fed failed to add expected reserves to the banking system at midday.

Without rates of at least 9 percent. See DOLLAR, Page 13

Then President Ronald Reagan's chief spokesman, Martin Fitzwater, reiterated Treasury Secretary James A. Baker 3d's assertion that the administration does not want the dollar to fall further.

"The White House now appears to regard the dollar fall as serious, and for the moment, the attitude is a little more positive," said James McGroarty, vice president at Discount Corp. of New York.

"But what the market would like to see to turn the dollar in a significant way is a combination of coordination on interest rates — Fed increases and West German and Japan declines — and a firm commitment by the Treasury to support the dollar," he said.

"Barring that, all we are doing is buying time going to the Treasury's refunding and Nakasone's visit," said Jim O'Neill, economist at Marine Midland Banks Inc., said bond yields would have to rise to sell the \$29 billion refunding auction, which will be announced this week and sold next week.

"Without rates of at least 9 percent. See DOLLAR, Page 13

Bundesbank Predicts Drop in Trade Surplus

By Ferdinand Protzman
International Herald Tribune

FRANKFURT — West Germany's trade and current-account surpluses should shrink substantially this year from the record levels reached in 1986 mainly because of the weak dollar, but will not return to normal levels for some time, the Bundesbank said Monday.

In its annual report for 1986, the Bundesbank, West Germany's central bank, did not specify what it meant by normal levels.

In 1986, the nation's surplus totaled a record 124 billion Deutsche marks (about \$69 billion at current rates), shattering the previous high of 86 billion DM in 1985. The current account surplus widened to a record 76.5 billion DM from the previous high of 44.6 billion DM.

The Bundesbank described the nation's economy as fundamentally healthy.

But the bank said the export sector continued to be buffeted by the dollar's prolonged weakness and the sharp appreciation to the DM's value against other major currencies. This has caused much of West Germany's manufacturing industry to reduce its planned spending on capital goods, which could also inhibit economic growth.

A nation's trade surplus is the excess of exports over imports, while the current account surplus includes services and tourism, transportation and other so-called invisible items, such as interest and profits earned abroad.

The Bundesbank said the lower 1987 surpluses should come primarily from another strong rise to imports, while exports are likely to rise only slightly. This would continue the previous year's trend, which saw imports rise 5.7 percent in real terms, while exports increased only a real 0.8 percent.

The lower dollar and the collapse of global crude oil prices caused a sharp rise in disposable consumer income in 1986, the report said. But it noted that higher domestic demand for goods and services was unable to fully compensate for the fall-off in exports.

Declining export levels and the subsequent slow-down in economic growth have caught Chancellor Helmut Kohl's center-right coalition government in a cross fire.

The government is under pressure from the United States and other trading partners to reduce the nation's trade surplus. However, without another strong rise to domestic consumption, economists worry that growth could stagnate and there have been increasing calls to stimulate the economy.

But the government has been reluctant to depart from its announced path of slow, steady economic growth and has resisted calls to move up tax cuts scheduled for 1988, or tax reforms slated to take effect in 1990.

In its report, the Bundesbank warned the government not to slacken efforts to curb spending when taxes are cut as part of a package scheduled for 1990.

The central bank said higher expenditures could lead to a rise in interest rates that could limit or even counter the positive effects of the tax cut.

Japan Led Surge in International Lending in '86

By Carl Gewirtz
International Herald Tribune

PARIS — Japanese banks were the driving force behind the international banking market's "unprecedented" expansion last year, the Bank for International Settlements reported Monday.

The Basel-based BIS, a clearing house of central bank data, said last year's increase in gross cross-border banking assets of \$476.6 billion was "by far the largest ever recorded."

The increase was twice as high as in 1985 and 80 percent above the previous peak in 1981.

Almost all of last year's activity — 90 percent — was concentrated in the interbank market, where banks lend to each other.

Japanese banks alone accounted for 59 percent of total activity, up from 39 percent in 1985.

In the fourth quarter, the volume of Japanese interbank activity surged \$124 billion, four times the previous year's increase, totaling 66 percent of the market.

The BIS said this was explained by Japanese banks' growing involvement in the securities market, interest rate arbitrage, the effects of deregulation and the intense competition to expand balance sheets.

"However, the most important single element," the BIS said, was last December's opening of the Japanese offshore market, which enabled banks to engage in international business free of domestic taxes. By year-end, total assets in Japan's offshore market totaled \$93.7 billion.

Although the BIS did not provide any numbers, it said that "a sizable share" was due to rebooming of existing positions. In other words, the offshore market simply added another link in the chain of interbank business counted by the BIS, without necessarily increasing the total when all double counting is eliminated.

A striking feature of the banks in Japan is their keen competition to expand their balance sheets. This is a made-to-order competition to claim title to being the biggest banks, a contest most other banks abandoned at the outbreak of the debt crisis early in 1982.

At that time, banking authorities started pressuring banks to increase their ratios of capital to total business. Most responded by slowing the growth of their balance sheets and improving profitability.

Analysts estimate that appreciation of the yen against the dollar of almost 90 percent since early 1985 has given the Japanese banks enormous new lending power without distorting their capital ratios as the value of the banks' business denominated in dollars now translates into so many fewer yen.

After eliminating the double counting, the BIS estimated that net new lending during the fourth quarter increased \$50 billion, up \$5 billion from a year earlier. For the year, the rise was \$160 billion, a 52 percent increase compared with 17 percent in 1985.

The largest net takers of funds in the fourth quarter were the Japanese, with \$20.8 billion. The inflow was needed to finance the discrepancy between the nation's current-account surplus of around \$80 billion and the long-term capital outflow into foreign securities of around \$130 billion.

By contrast, West Germany reported a decline of \$2.6 billion, reflecting the large current-account surplus and the long-term capital inflow into West German securities.

Under Mr. de la Madrid, the government has moved to rid it

See MEXICO, Page 13

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Currency Rates

Table with columns for Currency, Rate, and Date. Includes entries for London, New York, and other international locations.

Continued in London and Zurich. Rates in other European centers. New York rates at 4 P.M. (a) Contracted franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (1 unit of 100 (c) Units of 1,000 (N.S.) not quoted; N.S., not available. (w) To buy one pound: \$15.1250

Other Dollar Values

Table showing currency values for various international locations like Amsterdam, London, and Tokyo.

Sources: Reuters, 11:00 Irish S. Reuters, 11:00 Irish S. Reuters, 11:00 Irish S. Reuters, 11:00 Irish S.

Interest Rates

Table showing interest rates for various currencies and terms like 1 month, 3 months, 6 months, 1 year.

Sources: Morgan Guaranty (Dollar, DM, SF, Franc, FF); Lyons Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates April 27

Table showing key money rates for various currencies and terms.

Asian Dollar Deposits

Table showing Asian dollar deposits for various currencies and terms.

U.S. Money Market Funds

Table showing U.S. money market funds for various currencies and terms.

Gold

Table showing gold prices for various currencies and terms.

Nakasone Criticizes U.S. on Budget

By Sam Jameson
Los Angeles Times Service

TOKYO — Prime Minister Yasuhiro Nakasone, who leaves Wednesday for talks to Washington, criticized the United States on Monday for failing to carry out its commitment to Japan to reduce the U.S. budget deficit to help curtail a trade imbalance with Japan.

"We will make our efforts" to reduce the trade imbalance, Mr. Nakasone said. "But we will also ask the United States to make further efforts."

Mr. Nakasone said Japan regarded pledges to reduce the budget, made by the United States in bilateral and multilateral forums, as an "official commitment to us."

"But, in reality, is that being carried out? We must have American efforts on this, too," he said.

Mr. Nakasone, 68, who will be making his sixth visit to the United States as prime minister, said he hoped to solve, "or lay the path toward solution," of U.S.-Japan trade disputes and "ensure that cooperative relations between Japan and the United States are not injured."

The U.S. House of Representatives is expected to include an amendment that would force Japan and other countries with "unfair trade practices" to slash their surplus with the United States by 10 percent a year, or face retaliation.

"I am aware that American public opinion is very severe toward Japan," Mr. Nakasone said, "and I am deeply distressed by the present situation."

Mr. Nakasone said he would tell Mr. Reagan and other U.S. leaders that it would take the efforts of both countries to correct the trade imbalance, which last year reached \$58.6 billion.

Mr. Nakasone also noted that Japan's imports from Europe and the newly industrializing countries of Asia have increased recently, with Japan's purchases from those countries rising by 45 percent.

"However, American exporting power to Japan remains weak," with U.S. sales here still sluggish, he said. "The United States must make efforts to improve its competitiveness."

Mr. Nakasone said he would ask Mr. Reagan to withdraw "as quickly as possible" the tariffs the president imposed April 17 on Japanese products in retaliation for Japan's alleged failure to carry out an agreement on semiconductor trade.

Reagan Says He Hopes to Lift Sanctions Against Japan Soon

Compiled by Our Staff From Dispatches

WASHINGTON — President Ronald Reagan said Monday that he hoped the United States could lift trade sanctions against Japan soon.

"I hope that, before long, we can lift" the sanctions, he said in a speech to the annual meeting of the U.S. Chamber of Commerce, "and that this episode will be recorded as a small incident in the building of our relationship."

But he added, "We will do what is necessary to see that other nations live up to their obligations and trading agreements with us. Trade must be free. It must also be fair."

Meanwhile, administration officials said that Mr. Reagan was needed to tell Prime Minister Yasuhiro Nakasone of Japan during his visit to Washington this week that the sanctions could be lifted by the end of June.

He said the answer was genuinely fair and open markets on both sides, "and the sooner, the better."

Such a move would be conditional on Japan's being found to be in compliance with a semiconductor agreement the two governments signed last July, they said.

Under this scenario, the president would announce the end of sanctions just before the June 8-10 economic summit meeting of the Group of Seven industrialized countries in Venice.

In his speech, Mr. Reagan said the decision to impose tariffs on Japanese color television sets, motorized hand tools and some computers, sent a message to Japan that it was time to complete work on a U.S.-Japan "trade bridge."

"The final answer to the trade problems between America and Japan," he said, "is not more hemming and hawing, not more trade sanctions, not more voluntary restraint agreements, though these may be needed as steps along the way, and certainly not more unfulfilled agreements."

He said the answer was genuinely fair and open markets on both sides, "and the sooner, the better."

(Reuters, AP)

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# Monday's NYSE Closing

Tables include the noteworthiest prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52-Week High Low Quot. Cvt.

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
17.75	17.00	IBM	3.10	1.75	12.5	177.50	170.00	175.00	100
17.00	16.50	AT&T	1.00	1.40	12.0	170.00	165.00	168.00	100
16.50	16.00	GE	0.80	1.20	13.0	165.00	160.00	163.00	100
16.00	15.50	Westinghouse	0.70	1.10	14.0	160.00	155.00	158.00	100
15.50	15.00	General Electric	0.60	1.00	15.0	155.00	150.00	153.00	100

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
15.00	14.50	Johnson & Johnson	0.50	0.90	16.0	150.00	145.00	148.00	100
14.50	14.00	Pfizer	0.40	0.80	17.0	145.00	140.00	143.00	100
14.00	13.50	Merck	0.30	0.70	18.0	140.00	135.00	138.00	100
13.50	13.00	Amgen	0.20	0.60	19.0	135.00	130.00	133.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
13.00	12.50	Boehringer	0.10	0.50	20.0	130.00	125.00	128.00	100
12.50	12.00	Novartis	0.05	0.40	21.0	125.00	120.00	123.00	100
12.00	11.50	Schering	0.05	0.30	22.0	120.00	115.00	118.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
11.50	11.00	Roche	0.05	0.20	23.0	115.00	110.00	113.00	100
11.00	10.50	Novartis	0.05	0.15	24.0	110.00	105.00	108.00	100
10.50	10.00	Roche	0.05	0.10	25.0	105.00	100.00	103.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
10.00	9.50	Novartis	0.05	0.05	26.0	100.00	95.00	98.00	100
9.50	9.00	Roche	0.05	0.05	27.0	95.00	90.00	93.00	100
9.00	8.50	Novartis	0.05	0.05	28.0	90.00	85.00	88.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
8.50	8.00	Roche	0.05	0.05	29.0	85.00	80.00	83.00	100
8.00	7.50	Novartis	0.05	0.05	30.0	80.00	75.00	78.00	100
7.50	7.00	Roche	0.05	0.05	31.0	75.00	70.00	73.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
7.00	6.50	Novartis	0.05	0.05	32.0	70.00	65.00	68.00	100
6.50	6.00	Roche	0.05	0.05	33.0	65.00	60.00	63.00	100
6.00	5.50	Novartis	0.05	0.05	34.0	60.00	55.00	58.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
5.50	5.00	Roche	0.05	0.05	35.0	55.00	50.00	53.00	100
5.00	4.50	Novartis	0.05	0.05	36.0	50.00	45.00	48.00	100
4.50	4.00	Roche	0.05	0.05	37.0	45.00	40.00	43.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
4.00	3.50	Novartis	0.05	0.05	38.0	40.00	35.00	38.00	100
3.50	3.00	Roche	0.05	0.05	39.0	35.00	30.00	33.00	100
3.00	2.50	Novartis	0.05	0.05	40.0	30.00	25.00	28.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
2.50	2.00	Roche	0.05	0.05	41.0	25.00	20.00	23.00	100
2.00	1.50	Novartis	0.05	0.05	42.0	20.00	15.00	18.00	100
1.50	1.00	Roche	0.05	0.05	43.0	15.00	10.00	13.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
1.50	1.00	Novartis	0.05	0.05	44.0	15.00	10.00	13.00	100
1.00	0.50	Roche	0.05	0.05	45.0	10.00	5.00	8.00	100
0.50	0.00	Novartis	0.05	0.05	46.0	5.00	0.00	3.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Roche	0.05	0.05	47.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	48.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	49.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Novartis	0.05	0.05	50.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	51.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	52.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Roche	0.05	0.05	53.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	54.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	55.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Novartis	0.05	0.05	56.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	57.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	58.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Roche	0.05	0.05	59.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	60.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	61.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Novartis	0.05	0.05	62.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	63.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	64.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Roche	0.05	0.05	65.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	66.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	67.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Novartis	0.05	0.05	68.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	69.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	70.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Roche	0.05	0.05	71.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	72.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	73.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Novartis	0.05	0.05	74.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	75.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	76.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Roche	0.05	0.05	77.0	0.00	0.00	0.00	100
0.00	0.00	Novartis	0.05	0.05	78.0	0.00	0.00	0.00	100
0.00	0.00	Roche	0.05	0.05	79.0	0.00	0.00	0.00	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
1.00	0.50	IBM	0.50	1.00	10.0	100.00	50.00	75.00	100
0.50	0.00	AT&T	0.20	0.40	11.0	50.00	0.00	25.00	100
0.00	0.00	GE	0.10	0.20	12.0	0.00	0.00	12.50	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.50	0.00	Westinghouse	0.05	0.10	13.0	50.00	0.00	25.00	100
0.00	0.00	General Electric	0.05	0.10	14.0	0.00	0.00	12.50	100
0.00	0.00	Johnson & Johnson	0.05	0.10	15.0	0.00	0.00	12.50	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Pfizer	0.05	0.10	16.0	0.00	0.00	12.50	100
0.00	0.00	Merck	0.05	0.10	17.0	0.00	0.00	12.50	100
0.00	0.00	Amgen	0.05	0.10	18.0	0.00	0.00	12.50	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Boehringer	0.05	0.10	19.0	0.00	0.00	12.50	100
0.00	0.00	Novartis	0.05	0.10	20.0	0.00	0.00	12.50	100
0.00	0.00	Roche	0.05	0.10	21.0	0.00	0.00	12.50	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Novartis	0.05	0.10	22.0	0.00	0.00	12.50	100
0.00	0.00	Roche	0.05	0.10	23.0	0.00	0.00	12.50	100
0.00	0.00	Novartis	0.05	0.10	24.0	0.00	0.00	12.50	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Roche	0.05	0.10	25.0	0.00	0.00	12.50	100
0.00	0.00	Novartis	0.05	0.10	26.0	0.00	0.00	12.50	100
0.00	0.00	Roche	0.05	0.10	27.0	0.00	0.00	12.50	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52-Week High	52-Week Low	Quot.	Cvt.
0.00	0.00	Novartis	0.05	0.10	28.0	0.00	0.00	12.50	100
0.00	0.00	Roche	0.05	0.10	29.0	0.00	0.00	12.50	100
0.00	0.00	Novartis	0.05	0.10	30.0	0.00	0.00	12.50	100

12 Month High	12 Month Low	Stock	Div.	Yld.	PE</
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BUSINESS ROUNDUP

Chrysler Profits Off 24% for Quarter

HIGHLAND PARK, Michigan — Chrysler Corp. said Monday that its first-quarter earnings fell 24.4 percent from a year earlier. The company's chairman, Lee A. Iacocca, attributed the drop to buy-back incentives and lost production. In the first three months of 1987, the third-largest U.S. automaker earned \$269.7 million, or \$1.24 per share, down from \$356.9 million, or \$1.57 a share, in the first quarter of 1986. The company's stock closed Monday at \$33.375, down \$1.375, on the New York Stock Exchange. Chrysler reported that revenue totaled \$6.12 billion, up 4.3 percent from \$5.87 billion a year earlier. "We spent nearly \$600 million for plant modernization and up-scale products in the first quarter," Mr. Iacocca said. "By pouring a lot of money back into our car and truck businesses, we're assuring the future competitiveness and profitability of Chrysler." Mr. Iacocca said Chrysler also spent heavily to "match our competition, or go them one better," in offering extended warranties and other buyer incentives. Chrysler's first-quarter sales were up nearly 4 percent over last year, to \$6.03 billion from \$5.8 billion. Chrysler said it sold 570,000 cars and trucks, up 2.4 percent from 556,771 a year ago. The industry leader, General Motors Corp., last week reported a 23.1 percent drop in its first-quarter earnings from the same period of 1986. GM said it earned \$922.5 million in the period, down from \$1.20 billion a year earlier, on revenue of \$26.1 billion, down from \$26.8 billion. The No. 2 automaker, Ford Motor Co., is expected to release first-quarter results this week. Analysts have said Chrysler's sales in the first quarter were hurt by the dwindling supplies of the popular Omni-Horizon America subcompact, which lost their home when Chrysler began retooling its Belvidere, Illinois, plant. Chrysler, which last week purchased the Italian sports car maker Lamborghini SpA, also owns 15.6 percent of Maserati SpA and is working out an agreement to purchase the French government-owned Renault's 46.1 percent interest in American Motors Corp.

Alitalia Opts For McDonnell Jets Over Airbus

PARIS — Alitalia, Italy's state-controlled airline, said Monday that it was placing orders for six McDonnell Douglas Corp. MD-11 three-engine jets and taking options on four others in a transaction estimated at about \$1 billion. The contract brings the total number of orders and options for the MD-11 to 119, involving 14 airlines, a spokesman for McDonnell Douglas said. Alitalia had been considering both the MD-11 and its main competitor, the Airbus A-340 made by the four-nation West European Airbus consortium. A key factor in Alitalia's choice, sources said, was a commitment by McDonnell Douglas to place substantial orders for subcontracting work with Italian companies.

U.S. Paper Products Industry Rebounds as Dollar Drops

NEW YORK — After years of being battered by weak prices and having foreign competitors take away their business, American forest product companies are enjoying some of their best days. They, like other industries, have mainly one force to thank for their vastly improved fortunes: the declining dollar. Because of the weaker dollar, U.S. pulp and paper exports surged 18 percent and 20 percent, respectively, in 1986, and paper exports, at least, are expected to keep climbing this year. At home, the weaker dollar has meant that the industry can once again raise prices, sometimes significantly: Since 1986, the price of linerboard — used to make cardboard boxes — has increased by more than 30 percent, in \$320 a ton. More price increases in forest products are on the way, analysts predict. The industry's earnings reflect its change in circumstances. After being severely depressed for three years, profits rose 30 percent in 1986 and should rise this year by 25 percent, to about \$4 billion, according to analysts and economists. "We had some tough times a few years ago," said Burnell Roberts, chairman of Mead Corp., the big paper company based in Dayton, Ohio. "It's time we had it the other way." Cost-cutting measures that forest products companies implemented to survive the tough times mean that they are raking in profits now that times are better. Labor costs, which were rising about 10 percent annually five years ago, were only about one-half of 1 percent last year. Energy costs, too, have been significantly cut. But, clearly, the dollar's steep drop the last two years against many European currencies and the yen is the main cause of the revival that has transformed paper, pulp and lumber makers into some of the world's lowest-cost producers. It has especially helped forest product companies compete against the Scandinavian countries, which have seen their currencies rise about 32 percent against the dollar in that time. U.S. lumber and wood products also have benefited from the dollar's lower value but, because of persisting overcapacity, not as much as paper. "The exchange rate has made us more competitive, and our market share has increased, but prices have been flat," said Thomas C. Ambrose, a spokesman for Weyerhaeuser Co. in Tacoma, Washington. "The supply is too high." Still, Weyerhaeuser's exports of pulp rose a hefty 40 percent last year, and have remained strong this year, Mr. Ambrose said. U.S. producers of packaging paper are benefiting from the decisions of Japanese and European companies to scale back in that market. "The Scandinavians and Japanese don't have the access to cheap fiber that the American companies have, so they have concentrated on the higher-end specialty papers," said Mark S. Rog-

Du Pont Earnings Are Down; Sagging Oil Prices Blamed

WILMINGTON, Delaware — Du Pont Co. reported Monday that its first-quarter profit declined 3 percent from the first period last year, largely because of sagging oil prices that caused lower earnings at its Conoco Inc. subsidiary. Du Pont said net income for the first quarter totaled \$391 million, or \$1.62 per share, compared with \$404 million, or \$1.67 per share, in the first quarter of 1986. Total sales for the first quarter were \$7.1 billion, essentially the same as in the first quarter of 1986. "Results for our chemical and specialty products businesses were up sharply," the company's chairman, Richard E. Heckert, said. "However, total company earnings were down slightly from last year's strong first quarter because of weakness in the petroleum sector." After-tax operating income for the company's chemical and specialty products businesses was \$393 million, up 55 percent from the same quarter last year. The company said that reflected improved results for most businesses, notably fibers, white pigments and specialty polymers. Those gains were attributed to improved worldwide demand, lower energy and feedstock prices, previous corporate restructurings and improved productivity. After-tax operating income for the petroleum segments was \$55 million, 64 percent below the first quarter of 1986. Those results reflected lower refined petroleum product margins and lower average worldwide crude oil and domestic natural gas prices. Conoco's quarterly earnings from exploration and production totaled \$15 million on sales of \$504 million, compared with \$51 million on \$451 million in revenue a year earlier. Conoco's earnings from refining, marketing and transportation totaled \$40 million on revenue of \$1.99 billion, down from \$103 million on \$2.2 billion of revenue a year earlier.

IBM Chairman Emphasizes New Products, Cost-Cutting

NEW ORLEANS — Business volume at International Business Machines Corp. is up 8 percent worldwide, the company's chairman, John F. Akers, said Monday. Mr. Akers offered the figure in response to a question at the company's annual meeting about IBM's volume in South Africa, where he said sales were less than 1 percent of the company's total. Mr. Akers also said that IBM expects its new products and cost-cutting measures to have an increasingly positive impact in the rest of 1987. He said that although the worldwide economic situation remained unsettled, "we see some encouraging signs." He said, for example, that shipments in the first quarter of 1987 exceeded the 1986 level. On April 13, IBM said first-quarter profit fell 23 percent to \$785 million from the same period in 1986, although sales rose 5.5 percent. Mr. Akers said that IBM would increase its emphasis on service and other customer support this year and that by the end of 1987 it would have 20 percent more sales representatives and systems engineers than it did two years ago. He said the company was accomplishing the change by moving current employees into marketing and through new hires. He also said that IBM would increase its U.S. software programming work force, both through retraining and hiring, to a total of 26,000 by the end of the year. Last year IBM announced that it would try to reduce its overall number of employees without violating its no-layoff policy, primarily through offers of early retirement and retraining. Mr. Akers said that since last April the company's worldwide work force had been cut by 11,000. He said some 14,000 people had been moved from one IBM location to another, that headquarters staff positions were reduced by 7,000 and that the number of U.S. managers had been cut by 1,500. Earlier this month, the company introduced a new line of personal computers, and this summer it will begin shipping a new generation of minicomputers. "We expect our product announcements and resource-balancing measures to have an increasingly positive impact as 1987 proceeds," Mr. Akers said. IBM "is working hard," Mr. Akers said, "to reduce our product cycle," which is the time between the conception of a new product and its first shipment. "We want to make this as short as possible and we are making progress," he said.

ITT's Earnings Jumped by 55% In First Quarter

NEW YORK — ITT Corp. said Monday that its first quarter earnings had risen 55 percent to \$164 million versus \$106 million for the same period of 1986. The increase per share was \$1.07, up from 70 cents a share. ITT said, while sales totaled \$4.6 billion, up from a restated \$4 billion in the 1986 quarter. It said the diversified services business posted strong operating results because of continued improvement in the domestic casualty business at The Hartford, its insurance subsidiary. Hartford's results were helped by tax benefits from the 1986 Tax Reform Act, of which \$26 million was realized in the first quarter, ITT said. The industrial and military technology business was off from 1986 but above company expectations, ITT said. Natural resources operations posted large gains in the quarter, more than doubling their performance, the company said.

Exxon Chief Says Oil Discoveries Slowing

HOUSTON — Exxon Corp.'s chairman, Lawrence Rawl, said Monday that world energy consumption would continue to grow, but said that new oil discoveries were slowing and could not offset annual production. In a speech at the World Petroleum Congress here, Mr. Rawl said oil companies would increasingly be forced to turn to enhanced recovery techniques, very heavy oil and synthetics to compensate for substantial declines in conventional oil production. "What our current outlook suggests is that total world energy consumption will continue to grow steadily in an ever more energy-efficient world," he said. But, he said, "Exxon projects that despite today's ample supplies, the world will also be facing up to inherent limitations on the availability of oil and gas," which currently supply more than half of the world's energy needs. Mr. Rawl said that some synthetic fuel projects could become practical when oil reached the \$30 to \$40 a barrel range. "The question is when and how this will happen," he said. "I believe that synthetic projects will not only re-emerge but will become commercial well below those prices we were thinking about the last time oil prices moved substantially higher." Mr. Rawl said that companies are investigating a new generation of ideas on synthetic fuels that promise substantially lower costs. "It would be my view that new oil discoveries, even with advanced technology, are likely to slow down, not reverse, the decline in worldwide oil discoveries," he said. "So it is essential to find a better way to recover more of the discovered oil from producing fields using chemicals, solvents, heat and other techniques." After his speech, Mr. Rawl said in an interview that world oil prices should remain at about \$18 a barrel through the end of 1987. "We're still using the current level of about \$18 or \$19 through the end of the year," Mr. Rawl said. "We base our outlook on prices remaining in the current range."

Drexel Official Is Said to Aid Inquiry

NEW YORK — The government has advanced its investigation of Drexel Burnham Lambert Inc. by gaining the cooperation of an official at the Wall Street firm in return for immunity from prosecution, according to sources with knowledge of the investigation. The official is Charles Thurmer, who is based in Drexel's office in Beverly Hills, California, the sources said. That office is run by Michael R. Milken, who is a focus of the government's inquiry into illegal takeover practices. Mr. Thurmer, the sources said, is involved in maintaining confidential records of both the activities of Mr. Milken and of the Beverly Hills office. His cooperation would be the first known instance of someone inside Drexel with intimate knowledge of Mr. Milken's activities cooperating in return for lenient treatment by the government. The only previous witness against Drexel was Ivan F. Boesky, the speculator and former Drexel agent who pleaded guilty last week to a conspiracy charge, sources said.

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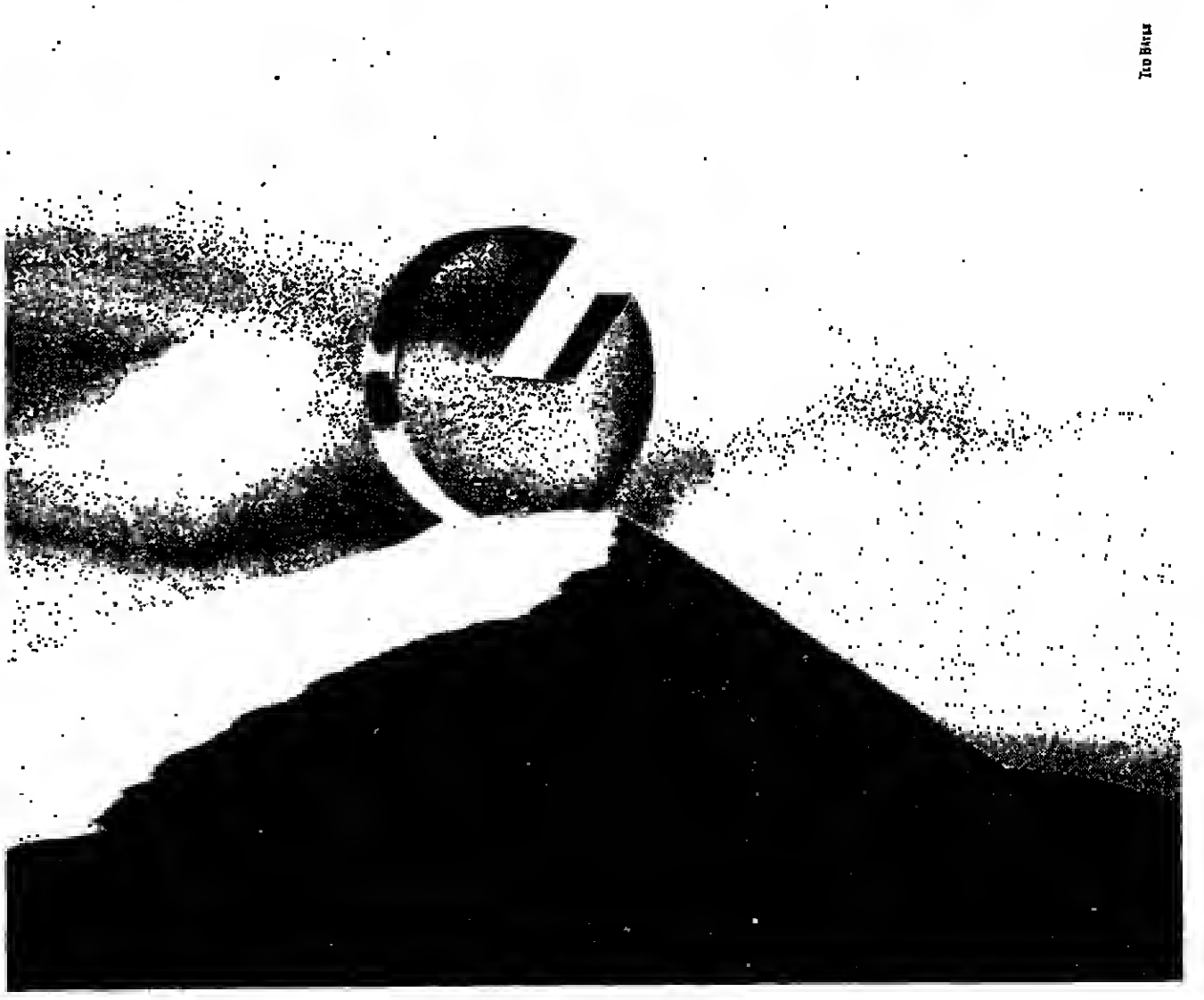
Table with 2 columns: FOREIGN & COLONIAL RESERVE ASSET FUND and various asset categories like A: U.S. DOLLAR 'CASH', B: MULTICURRENCY 'CASH', etc.

BFCE results for 1986

Development of Commercial Activities. Commercial loans to French and foreign businesses levelled off at 35 billion francs, in spite of the shrinking demand for credit and the fall of the dollar, which lowered the value of most transactions carried out in foreign currencies, by both our French and overseas branches. Capital and money markets activities, however, benefitted from the favourable financial situation during the first half of the year as well as from the Bank's investment in specialized personnel and material in this specific area. Overall, proceeds from commercial activities advanced by 5.5% as a result of product diversification and an expanded clientele, most notably among medium-sized businesses. A Gradual Decline in Export Facilities. The signing of fewer major export contracts, together with the first impact of the 1985-1986 reforms of export credit procedures, caused short and medium-term credits to drop from 81 to 59 billion francs. However long term buyer and supplier credits, the specialized activity of the Bank,

stood the test much better and rose from 64 to 68 billion francs. An Appreciable Advance in Results. Net operating income (1,834 million francs) showed an increase of 77 million (up 4.4%), despite the depreciation of the dollar, the decline in lending rates and the erosion of profit margins. The 4% increase of general expenses was largely due to investment-linked expenditures. New appropriations to loan loss reserves for the year (413 million) were in large part allocated to "sovereign risks", which are covered to the same level as in most other banks, while "doubtful risks of customers" were covered up to 75%. After provision for corporate income taxes, the financial year yielded a profit of 76 million francs, an increase of 26.6% over 1985. The annual Report from which the above figures have been extracted may be obtained from the "departement Etudes et Communication", Banque Francaise du Commerce Extérieur, 21, bd Haussmann - 75009 Paris - France.

BFCE Banque Francaise du Commerce Extérieur



From the right vantage point, your vistas extend to even distant markets. Let's look them over together.

The deeper your insights into a country and its economy, the better your prospects in international business. Take intelligence on optimum modes of payment and methods of financing, for instance. To support your foreign commitment successfully, your bank partner must be able to provide such information firsthand. That's why DG BANK has steadily expanded its international network of branches and subsidiaries in major financial centers. In addition, we maintain correspondent relations with some 3,000 banks worldwide. As a member of the UNICO Banking Group, DG BANK cooperates closely with six large West European banks. To its international presence, DG BANK adds a universal range of services: from foreign exchange cover to Euroloans, from export financing to bond issues, from investment counselling to assistance in entering new markets. Whatever your needs, our fast-action policy ensures that you rapidly get together with the right people and lose no time in analyzing all the risks and opportunities. Head Office: DG BANK, P. O. Box 100651, Am Platz der Republik, D-6000 Frankfurt am Main 1, Federal Republic of Germany. Telephone: (69) 74 47-01, Telex: 4 12 291. Offices in: New York, Los Angeles, Atlanta, Rio de Janeiro, Hongkong, Singapore, Tokyo, Kuala Lumpur, London, Luxembourg, Zurich, Budapest. The broadly based Bank.

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CURRENCY MARKETS

DOLLAR: Recovery in N.Y. Follows New Low in Tokyo

(Continued from first finance page) ... they are not going to get any interest in the auction, he said.

London Dollar Rates table with columns for currency, bid, and ask prices.

and the trade imbalance between the United States and Japan.

They said that comments by President Reagan that he hoped to lift trade sanctions against Japan soon were met with skepticism.

Economists and dealers said that pressure was growing in the financial markets for the United States to take overt action to stabilize the dollar, even though doubts linger that it has fallen far enough to help redress world trade imbalances.

Some analysts believe that a half-point increase in the U.S. discount rate, preferably in conjunction with rate cuts in Tokyo and Bonn, would be enough to discourage sellers.

But many fear that more drastic action, such as a U.S. issue of yen-denominated Treasury bonds, may be needed.

In earlier trading in Europe, the dollar was fixed in Frankfurt at 1.7765 DM, down from 1.7969 on Friday, and in Paris at 5.9490 French francs, down from 5.9880.

In Zurich, it closed at 1.4505 Swiss francs, down from 1.4638 on Friday. (Reuters, UPI)

Gold and Silver Plummet In N.Y. in Selling Frenzy

Compiled by Our Staff From Dispatches

NEW YORK — Gold and silver plunged Monday in New York after a speculative upward frenzy when the dollar rebounded.

The spot gold contract fell from a trading high of \$477.50 an ounce to \$444 and silver went from \$11.25 to \$7.80 an ounce. Dealers said that the selling had begun as mild profit-taking when the U.S. Federal Reserve failed to add expected reserves to the banking system at midday.

"You had a situation where nobody was short silver," said Alan Posenick, chief trader at Manfra Tordella & Brookes Inc. "From mild profit-taking on the perception of Fed tightening, there was a frenzy when everybody wanted out and there were no buyers."

"We had a 35 percent drop in silver," he said. "On a percentage basis it exceeded the fall in 1980 when silver plunged from \$50 an ounce, to roughly \$40 overnight."

As in the 1980 silver debacle, dealers said many participants were wiped out Monday. Speculators in futures markets took on margin, or with small deposits for contracts worth huge amounts. When prices dropped precipitously, brokers demand additional margin payments to cover the reduced value of contracts. If speculators cannot come up with the funds, their contracts are liquidated.

Silver opened in London at \$10.17 an ounce and rose about \$11 from \$9.40 on Friday. Gold was set at \$476.60 an ounce in the morning, up \$11.60 from Friday, before closing at \$470.50.

MEXICO: Skeptics Question Plan to Trim State Sector

(Continued from first finance page) ... sell not only of small and exotic enterprises, many acquired through the nationalization of banks in 1982, but also some major industrial companies.

The government has also tried to encourage other companies, including the oil monopoly, Petroleos Mexicanos, or Pemex, which is double the size of the rest of the state sector, to be more efficient.

Laws have been passed to improve auditing and procurement procedures and foster more competition.

As a result of these and other efforts, the government has been able to reduce the percentage of the state enterprise budget devoted to subsidies from 18 percent, to 9 percent, according to Alfredo del Mazo, minister of energy, mines and state enterprises.

Even so, both the Mexican private sector and foreign economic analysts argue that much more needs to be done. The statistics cited by the government, they say, are misleading because many of the companies taken off the government's rolls existed only on paper.

"Their performance has not been very impressive," an economist for an international organization said. "Many of the companies they have offered for sale are things nobody really wants and the things that people really want are not being offered."

A diplomat who asked not to be identified said: "It's true they've started to divest, but they are still in a lot of sectors for no particular reason. I can't see, for example, why, in view of the interest that is out there in the market, they don't divest the airlines, both Aeromexico and Mexicana."

Still, the government has promised that "the state will withdraw from the branches of chemicals, textiles, pharmaceuticals and secondary petrochemicals, whose promotion no longer requires the presence of the state."

The ultimate objective is to reduce the number of state enterprises to less than 250. An additional 100 concerns are expected to be sold, more than 200 dissolved and about 50 merged.

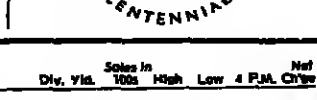
But far less, apparently, will be done with six major state companies, which include Consup, which distributes basic necessities to low-income groups; the federal

electricity monopoly, and state sugar, steel, railway and fertilizer corporations. In 1985, the most recent year for which figures are available, those companies accounted for more than 20 percent of the public-sector deficit.

The deficit was a result of both the subsidized prices at which companies were forced to sell their products — especially fertilizers, foodstuffs, electricity and steel — and actual operating losses.

"It comes down to a question of whether they are really willing to reduce subsidies and raise prices," a diplomat said. "There has been a lot of internal debate tied up with politics, and the verdict is still out."

Mr. Terasa, who formerly worked at the steel and light corporations, said: "It is impossible for a state company to be profitable if it is asked to supply at a subsidy, cannot raise its prices and must generate jobs and expand services."



Monday's OTC Prices NASDAQ Price as of 4 p.m. New York time. Via The Associated Press.

Large table of OTC stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

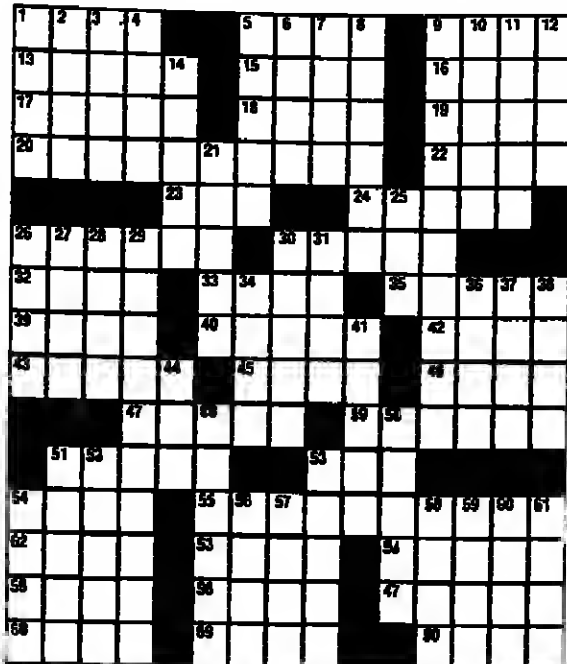
Table of stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

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- ACROSS**
- 1 Chutzpah, in the extreme
  - 5 Atlantic proprietor
  - 9 Dwell on tediously
  - 13 Fugitive's monetary
  - 15 Egyptian goddess
  - 16 G.I.'s transgression
  - 17 Mute bird
  - 18 W. 11 offshoot
  - 20 Together
  - 22 Dew or rain follower
  - 23 Deserter
  - 24 Mr. Fudd
  - 26 Incantations
  - 30 Railroad flare
  - 32 Exhaust
  - 33 Chester — Arthur
  - 35 Take as one's own
  - 39 Complain
  - 40 "Be, Beatles song
  - 42 Medley
  - 43 Rice field
  - 45 Throw a party for
  - 46 Sight in an OPEC land
  - 47 Adds seasoning
  - 49 Enmesh
  - 51 Tremble
  - 53 Actor Vaught
- DOWN**
- 1 Wound
  - 2 Utah resort
  - 3 N.F.L. participant
  - 4 Rendered fat
  - 5 This year's thousand eyes'
  - 6 Singapore's location
  - 7 "Stop" or "Falling" "Rites"
  - 8 Theaters' words with the audience
  - 9 Item from a sib
  - 10 Cognizant
  - 11 Part of a Styky vehicle
  - 12 Noise from a fall
  - 14 Sound o' tho pipes
  - 21 Twangy Meadow
  - 26 Pit
  - 27 Malayan canoe
  - 28 "Cosars it!"
  - 29 Acts neighborhood
  - 30 Clotho et al.
  - 31 Gram or meter
  - 34 A. P. S. Bank
  - 36 Designer Cassini
  - 37 Bolus
  - 38 Japanned metalware
  - 41 Wyo.'s Range
  - 44 Tibetan ox
  - 48 Concern for a student
  - 50 Bogota's location
  - 51 Hades habited
  - 52 Place to seek sanctuary
  - 53 Knee or elbow
  - 54 Word or Croat
  - 56 Building part
  - 57 Stars & Stripes heroes
  - 58 — and haws
  - 59 Seed covering
  - 60 Christie's "Death on the

PEANUTS



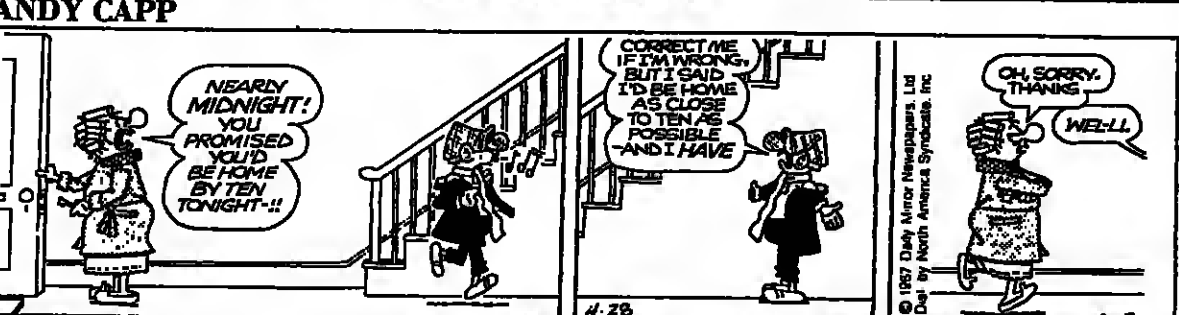
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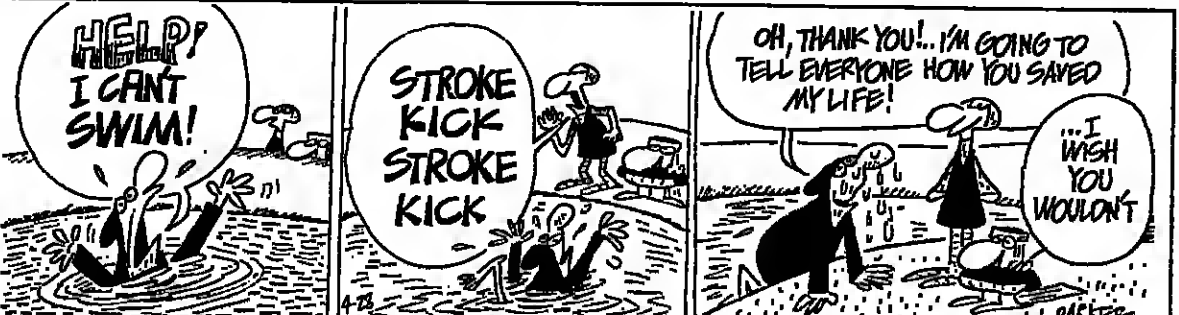
BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



GARFIELD



GRIM



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ANCKK  
BUICC  
NYWIRT  
SCAFIO

Print answer here: " \_ \_ \_ \_ \_ "

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	21	10	Bangkok	27	18
Amsterdam	18	12	Batavia	32	22
Antwerp	18	12	Bombay	32	22
Athens	21	10	Hankow	27	18
Berlin	18	12	Hong Kong	27	18
Birmingham	18	12	Jaipur	27	18
Bombay	18	12	Kobe	27	18
Buenos Aires	18	12	London	18	12
Calcutta	18	12	Manila	27	18
Canton	18	12	Medan	27	18
Cebu	18	12	Osaka	27	18
Colon	18	12	Seoul	27	18
Hankow	18	12	Singapore	27	18
Hong Kong	18	12	Taipei	27	18
Jaipur	18	12	Tokyo	27	18
Kobe	18	12			
London	18	12			
Manila	18	12			
Medan	18	12			
Osaka	18	12			
Seoul	18	12			
Singapore	18	12			
Taipei	18	12			
Tokyo	18	12			

World Stock Markets

Amsterdam	London	Paris	Frankfurt
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BOOKS

**MIAMI: City of the Future**  
By T.D. Allman. 422 pages. \$22.50. The Atlantic Monthly Press, 8 Arlington Street, Boston, Mass. 02116.

Reviewed by Jonathan Yardley

LONG before there was "Miami Vice" there was Miami, a peculiar but beguiling city cut off from the rest of the United States by geography, culture, climate and economics. It had enjoyed a brief, wild prosperity during the 1920s, fallen into neglect after the calamitous hurricane of 1926, revived with the second World War, then acquired an entirely new character with the great immigrations from Cuba beginning in the early 1960s. It was a city Americans visited as tourists or passed through as travelers: an incongruously subtropical Shangri-la in a Northern Hemisphere country, a place of warmth and sensuality yet also somehow alien and dangerous.

In recent years, though, much of that has changed. Miami is no longer merely a place that comes to life during the tourist season and goes back to sleep when the northerners head home. It is a thriving urban center, a truly international city that has come to think of itself, with ample reason, as the capital of Latin America. Its banks have on deposit the fortunes of South American nabobs and, on occasion, launder the cash of drug merchants. Its huge airport brings in businessmen from around the world and contraband mood enhancers from points south.

**Solution to Previous Puzzle**

OTIC STRIP ILES  
WITH TEASE WIRE  
ENCE OATEN PEST  
THEHORSEMOUTH  
SED EER  
PACES MLT STEP  
ARR STAINS EROS  
SNAKEINTHEGRASS  
TITI SERENE SET  
EENS TER LEERS  
GOP FIR  
WOLFSATTHEDOOR  
ALAI PERIL DAIS  
RIPS ELECT ESSE  
POSH REEKS SITIEW

Chess

By Robert Byrne

The main challenge was 7-N-R3, yet after 7... BxN; 8-PxR, B-Q2, it would not work to play 9-B-N2, B-R5; 10-Q-B3, B-B3; 11-N-K5, BxR; 12-KxQ, Q-Q4; 13-P-B3, N-R5; 14-Q-B2, R-Q4.

Up through 11 Q-Q4, this game was following a Suba-Noguras encounter a few months earlier in Szek. But here Noguras meekly returned the pawn with 11... Q-B3; 12 B-N2, O-O; 13 Q-B5, Q-K2, Q-K2; 14 QxQ, NxQ; 15 BxP.

Instead, the relentless Ribli, clinging to the booty with 11... B-N4!

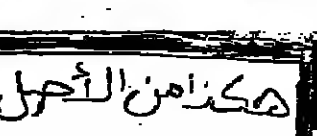
Perhaps, after 13... NxP, Suba should have played 14 NxBQ, which would have given him some small compensation for his material deficit.

His alternative attempt, 14 B-Q3, was smoothly countered by 14... P-Q4; 15 BxP, NxB; 16 QxR, R-QB1.

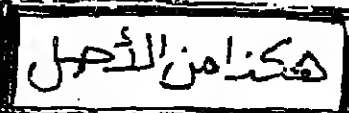
According to Ribli, after 15... O-O, Suba might have tried 19-Q-K4, Q-Q2, 20-N-Q4, KR-K1; 21-NxR, R2, 22-N-B5, RxQ; 23 NcQ, R2, but Black's advantage is clear, especially since 24-N-B5, P-Q3; 25-N-K4, R-K1; 26-P-B3, P-B4; 27-N-Q6, R-Q1 is tremendous for Black.

Despite his having penetrated to the seventh rank with 20. RxB, Suba could not break Ribli's defense. Thus, 22 N-N5

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11700 Agri Ind A	524	529	514	524
11700 Agri Ind B	524	529	514	524







SPORTS

Show Stifles Dodgers on 3 Hits

Compiled by Our Staff From Dispatches
LOS ANGELES — As a member of the San Diego Padres pitching staff, Eric Show is becoming accustomed to the pressure and responsibility of stopping losing streaks.

Cubs 7, Expos 1: In Montreal, Andre Dawson homered twice to continue his assault on his former teammates, and Leon Durham hit his third home run in three days, as

BASEBALL ROUNDUP

Chicago swept a three-game series. Dawson, who left the Expos to sign with the Cubs as a free agent, was seven for 12 during the weekend, with three home runs, two homers and six runs batted in.

Reds 11, Astros 3: In Houston, Dave Parker's two homers drove in five runs, helping Mario Soto to his



Eric Show
We don't get many leads.

first victory since last August and giving Cincinnati a three-game series. Making his second start since arthroscopic surgery on his right shoulder, Soto walked one and struck out two in six innings.

Cardinals 7, Mets 4: In New York, Jack Clark homered and singled twice to St. Louis, playing with a substitute-filled lineup, banged out 15 hits. Winner Bob Forsch added two singles and a suicide-squeeze bunt. Jose Oquendo had three hits and Steve Lake two RBI singles. The Cardinals have beaten the Mets five times in six games this season, one fewer victories than St. Louis had against New York all of last season.

Phillies 6, Pirates 4: In Philadelphia, Lance Parrish, whose slow start had brought him nothing but derision from the fans, Stadium crowds, got a standing ovation after his first-inning grand-slam home run sparked a victory over Pittsburgh. Said the \$1 million-a-year free-agent catcher of the Phillies fans: "It was nice to see they've changed their opinion."

Royals 6, Tigers 1: In the American League, in Detroit, Bret Saberhagen, plagued last season by a sore right shoulder and foot problems, ran his 1987 record to 4-0 while lowering his earned-run average to 1.32. Last year Saberhagen was 7-12, with an ERA of 4.15; in 1985, when at the age of 21 he won the Cy Young Award, his figures were 20-6 and 2.87.

Yankees 14, Indians 2: In Cleveland, Tommy John pitched seven straight innings for the second straight start, and Ringer Henderson homered leading off a game for the third time this season to spark New York. Left-hander John, 43, surrendered only an infield single to Julio Franco in the third inning; he retired 14 batters on groundouts while improving his career record against the Indians to 19-12.

Rangers 5, Red Sox 3: In Arlington, Texas, Pete O'Brien's two-run home run in the 13th gave Texas its fourth straight victory. Boston's Roger Clemens allowed 10 hits, walked four and struck out 10 in eight innings. Calvin Schiraldi came in to start the 13th and gave up a single to Scott Fletcher before O'Brien hit his second homer of the season.

Brewers 5, Orioles 3: In Milwaukee, Juan Castillo hit his first major-league homer to lift the Brewers to their 16th victory in 17 outings this year. Baltimore has lost four

straight.

Twins 10, Angels 5: In Minneapolis, Steve Lombardozzi, not considered a long-ball threat, hit his first home run of the year to ignite a four-run seventh that put Minnesota past California.

Blue Jays 5, White Sox 2: In Chicago, George Bell's two homers and three RBIs helped Toronto down the White Sox. Mariners 8, Athletics 5: In Oakland, California, Harold Reynolds drove in the go-ahead run with a fourth-inning triple and Jim Presley added a two-run homer in the ninth to offset Reggie Jackson's 550th career home run. (AP, UPI)

Pistons Crush Bullets; Hawks and Celtics Also 2-Up



TIGHT DEFENSE: Detroit's Adrian Dantley, left, and Rick Mahorn put the squeeze on Moses Malone, the Washington center, throughout Sunday's NBA playoff game. The strategy helped the Pistons to a 128-85 laughter.

Compiled by Our Staff From Dispatches

PONTIAC, Michigan — The Detroit Pistons' only victory with a 2-0 series lead over Washington is that they might have awakened sleeping giant Moses Malone.

Detroit set a National Basketball Association playoff record by building a 76-36 halftime lead over the Bullets here Sunday night before winning the second game of the best-of-5 series, 128-85.

Rick Mahorn, who has combined with Bill Laimbeer and Adrian Dantley to put a defensive net on Malone, holding him to 31 points in two games, was careful to praise his quarters.

"Moses is the ultimate center," Mahorn said. "Stopping him is like trying to stop a rock from going through a window. I expect a daylight down there (in Game 3). It's like do-or-die. They're going to come out and play hard."

Washington's 40-point halftime deficit was four points more than Milwaukee's 77-41 advantage over Philadelphia on March 30, 1970. "I would have done the same thing," growled Malone. "When they come to Washington, we should try to run up 200 on them."

Elsewhere, Boston defeated Chicago, Philadelphia beat Milwaukee in overtime, Portland tripped Houston and Atlanta edged Indiana. The Celtics, Hawks and Pistons lead their series 2-0, while Philadelphia-Milwaukee and Portland-Houston are tied 1-1.

The Pistons shot 70.5 percent from the floor the first half while the Bullets hit only 32.7 percent. For the game, Washington com-

mitted 23 turnovers that led to 37 Detroit points.

"It's very embarrassing in a playoff situation," said Bullets Coach Kevin Loughery. "It's shocking to get beat like that. I thought we

were ready — that's the frightening thing.

Russ 125, Backs 122: In Milwaukee, Charles Barkley scored eight of his 26 points in overtime to help Philadelphia pull even with Milwaukee.

Barkley, who also had 15 rebounds, gave the 76ers a 121-120 lead with 39 seconds left in overtime when he stole the ball from Terry Cummings and scored. A lay-up by Sidney Moncrief gave the Bucks a one-point lead with 29 seconds to go before Barkley's six-footer from the baseline — which bounced on the rim several times before falling through — made it 123-122.

After Cummings missed a jump shot, Julius Erving hit two free throws with a second remaining for the final points.

David Wingate had 11 fourth-quarter points to help Philadelphia tally from a 10-point deficit.

Trail Blazers 111, Rockets 98: In Portland, Oregon, the Trail Blazers got 32 points from Clyde Drexler and used a halfcourt trapping defense to force 25 turnovers.

"Our ballhandling was atrocious," said Bill Fitch, the losing coach. "When we see the films, we're going to have some players with red faces. But it's not like it's terminal cancer. We can get over this."

Houston led by as many as 12 in the first quarter, but with Al Akeron Olujuwon on the bench in foul trouble, the Rockets scored only 12 points and had 11 turnovers in the second period as Portland took the lead for good.

Hawks 94, Pacers 93: In Atlanta, the Hawks again were carried by Dominique Wilkins, who scored 43 points and passed to Kevin Willis for a key basket with 38 seconds left.

Willis, who hadn't scored since the second period and finished with only eight points, hit a short hook for a 94-91 lead. "I was open. Dominique saw me and got it to me," Willis said.

Chuck Person, who led Indiana with 24 points, hit two free throws with 42 seconds left, but 40 seconds later teammate John Long missed a 15-foot jumper.

The Pacers led by 69-60 midway through the third period before Wilkins (who had 35 points in Game 1) scored 12 during a 17-2 edge 1:43 into the final period.

Celtics 105, Bulls 96: In Boston, the Celtics won their 31st straight game at home and beat Chicago for the 11th consecutive time despite 42 points by Michael Jordan.

Trailing by 11 early in the second half, the Bulls came back to lead, 87-85, midway through the fourth period. But Boston took command with a 13-2 run as Danny Ainge hit two 15-foot jump shots and a lay-up after stealing the ball from Jordan.

The Celtics set an NBA playoff record by committing only 5 turnovers. (AP, UPI)

SCOREBOARD

Hockey

NHL Divisional Finals
Sunday's Results
Philadelphia 3, NY Islanders 1
Pittsburgh 4, Toronto 2

NHL Playoff Schedule

Division Finals
Wales Conference
Pittsburgh 4, Toronto 2
Philadelphia 3, NY Islanders 1

Campbell Conference

April 21: Toronto 4, Detroit 2
April 22: Toronto 2, Detroit 2
April 23: Detroit at Toronto

World Championships

Switzerland 4, Sweden 2
West Germany 4, Switzerland 3

Transition

Baseball
California 1, Kirk McCaskill, pitcher, on the 15-day disabled list.

Tennis

Women's Doubles
Chris Evert (U.S.) and Martina Navratilova (Czech) defeated Billie Jean King (U.S.) and Pam Shriver (U.S.) 6-3, 6-4.

Baseball

Major League Standings
Sunday's Line Scores
Kansas City 210, St. Louis 108-1

Major League Leaders

AMERICAN LEAGUE
G AB R H Pct.
R. Hernandez, N.Y., 16 42 22 25 .483

Golf

Top 100 players and earnings in the Houston Open, which ended Sunday at the Woodlands Country Club in The Woodlands, Texas.

National League

AMERICAN LEAGUE
G AB R H Pct.
Detroit, 16 42 22 25 .483

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Basketball

First Round
Sunday's Results
Chicago 88, Boston 84

NBA Playoff Schedule

First Round
Eastern Conference
April 21: Boston at Chicago

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ART BUCHWALD

Government Service

WASHINGTON — According to the Tax Foundation, a typical American will have to pay 19 days for the government to work his taxes in 1987. Yes, for 19 days we will all be playing for Uncle Sam before any money trickles down to us.

Unlike many, I consider it an honor and a pleasure to labor for my country. I'm ready to devote my 19 days to any department in the government that will have me.



Buchwald

There are so many to choose from. The first thought is to put in my time with the IRS. As a taxpayer I could teach them a lot.

I would like to revise the 1040 form so people can understand it. Even if I just simplified the first three paragraphs I could become a national hero and run for president. My only fear is that if I do a good job, the IRS will get mad and keep me there as a hostage while they audit the last five years of my returns.

Salvage Shelves

AMSTERDAM (UPI) — A foundation dedicated to excavating the 18th-century Dutch treasure ship Amsterdam has run out of money, project leader Jerzy Gawronski said Monday.

The Amsterdam lies buried in about 20 feet of sand off the southeast coast of England, where it ran aground in a storm in January 1749.

Since 1984, the foundation to save the Amsterdam has spent 500,000 guilders (about \$250,000) a year, raised from private donations, in excavating the site and preserving artifacts. It had hoped to salvage the hull of the ship intact. Its cargo of silver was rescued at the time of the wreck.

Diane Keaton's Designer Heaven

By Stephanie Mansfield

NEW YORK — She's so Diane Keaton, in her Three Blind Mice tortoise-shell sunglasses, black-and-white polka-dot scarf nervously knotted at the neck, black peplum jacket and long, skinny shirred skirt that resembles a balloon shade. Her feet are swathed in funny socks and encased in flat black leather Chinese-looking Mary Janes. The whole effect is hard to describe. But when you spot her on the sidewalk through the restaurant window you know it's Diane Keaton.

"We're lucky this place is open," she says, settling back into a high-backed wooden booth. The sunglasses stay on. It is very dark in the restaurant, several blocks from her Upper West Side apartment.

She's here to discuss her latest film, "Heaven," which she directed. It's hard to describe, too. Like her, it's kinda vague, you know? Wacky, too, and eloquent and endearing, an 80-minute bodgedge of old movie clips punctuated by on-camera interviews in which some very bizarre characters — real people, mind you — talk about love and death and wonder aloud about the possibilities beyond. In the end, heaven comes through as some exclusive country club, where the streets are lined with gold and everyone floats on designer clouds, and noses are straight and you can eat anything you want without gaining weight. The movie is about what people wish for. What people long for. Like Frank Capra's "It's a Wonderful Life," it's a gentle reminder to live life to the fullest. Sort of "It's a Wonderful Death."

She laughs at this notion — snorts, actually. She has a great laugh. So nice, so charming, so insecure, she taps her long slender fingers on the table, hurrowing deeper into the booth. Sometimes she stares off for a second or two, then picks up the thread of the conversation without seeming to realize she's been away.

So what does Diane Keaton long for? "That's a — a good question. I have no idea. You have things in your life that are wonderful but they don't last for long. Suddenly, they go. It seems that a lot of it is compromise. So I think everybody longs for those things you can't really have completely, so what can you do? You know, I mean, whatever it is. Complete love all the time."

She talks in a halting, nasal half-stammer, the rush of ideas coming faster than the words. Talking about herself is difficult. Talking about her former lovers Woody Allen and Warren Beatty is obviously not. And she's sick of talking about the movie, though she knows the publicity will be useful. Not to mention the boost to her image. The daffy Miss Keaton, perhaps the finest comedienne of her generation, turned auteur.

The film has opened in three cities so far — New York, Los Angeles and Washington — to both positive and negative reviews.

The prospect of failing, she says, never bothered her. "I've done that before, so it's sort of like I'm used to it. I don't think it's as public a failure as an acting failure with a major motion picture where they've spent 12 million dollars . . ."

"Heaven" was conceived in 1982 after the actress and a friend stopped at the Visitor's Center of the Mormon Temple in Salt Lake City. They saw a promotional film on the ocean of heaven, and Keaton's mild interest in the subject became a passion. She began collecting images and kitsch, searching for old film footage and roaming Hollywood Boulevard looking for subjects to interview. She also ordered films from religious catalogues.

"Heaven" started as a short television film, then grew to a full-length feature. "As it grew, all we were trying to think about was making it work."

Making the film "was a total pleasure because I enjoyed doing it. It only became stressful as you had to, like, stick it out there. We were editing for a long, long time because of all that footage. It was fun to research it. Yeah. I loved that."

The finished product has a personal stamp — it's like peeking into the bottom of Keaton's purse. "Documentary" is not really the right word for it, she says. "What do you call it? I mean documentaries are great, I love documentaries more than anything, but I just don't think this fits the bill as a documentary. I think it's more like a personal film, without a doubt." Another pause. "I have no idea."

The notion of heaven, she says, was always "something I believed in as a child. The main visual image for me about heaven remains that shot from 'The Horn Blows at Midnight.'" At one point in that '40s classic, the camera pans down across endless rows of people. "It goes on forever and ever and ever. It's the most frightening image, too. It seems like it's all a dream."

"Baby Boom" is Diane Keaton's next film. Co-starring Sam Shepard and due later this year, it examines the dilemma of a career woman suddenly forced to raise a child. Perhaps having children offers some hope of renewal?

"You're accepting the premise of life, in a way," Keaton says. "You're sort of saying, 'Okay, I say yes to it.' To the history of it, to the whole deal. I think that's absolutely great and positive."

Keaton was born and raised in Southern California. Her father was a civil engineer. Her mother a homemaker (voted Mrs. Los Angeles in the Mrs. America contest). She left home at 19 for New York. By 1968 she was in "Hair," then she won the role opposite Woody Allen in the stage production of "Play It Again, Sam." They fell in love and she appeared in numerous Allen vehicles, including his breakthrough hit "Annie Hall," for which she won the Academy Award for Best Actress.

She has left her stamp on a string of memorable movies: "The Godfather" and "The Godfather, Part II," "Looking for Mr. Goodbar," "Shoot the Moon" and the epic "Reds," directed by former boyfriend Warren Beatty. Her latest performance was in Allen's "Radio Days," in which she got to sing again: "Seems like old times. Having you to talk with."



Diane Keaton in the editing room.

She also has two published books: "Reflections," featuring her photographs of her love affairs, and "Still Life," a collection of wonderfully weird Hollywood stills. She is currently planning to co-produce, with Joe Kelly — her friend and producer of "Heaven" — a remake of "The Blue Angel" starring her pal Madonna.

The urge to produce and direct, she explains, is the urge to "be more responsible in a different way. Express yourself in a different fashion." Her job on "Heaven," she says, was mainly editing and getting the interviews. "I don't know how it would be to direct actors. I think that's a very courageous, brave thing to do. And very difficult. I would think."

Film-making "is a little bit of insanity, I think. I think it's sort of like going to war, in a way. There's an interminable amount of time just in the preparation and the kind of boredom, and then suddenly everyone's in sync for about five minutes. And then again, it's real, real work."

Does she think she is a good actress? "Am I a good actress?" she repeats. "I don't know. Mmmm. That's hard. I mean, Beats me. I don't know."

She leans back, adjusting the scarf. "Maybe I'm a taste. Or something."

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PEOPLE

'Lesser God' Star Tells Deaf: 'Don't Be Afraid'

The Academy Award-winning actress Marlee Matlin returned to her former school to tell hearing-impaired children what she wished she had been told 14 years ago. "Don't be afraid. Don't give up. Matlin, who won the best actress Oscar for her role in the film "Children of a Lesser God," visited the Center on Deafness in Chicago, suburb of Des Plaines. She spoke in sign language, telling the children how she overcame self-doubt to become an actress. . . .

Newman crashed his Nissan 300ZX Turbo race car during a race at Riverside, California, Sunday, but escaped injury. Newman, 62, who recently won an Oscar as best actor for his performance in "The Color of Money," crashed on the main turn and was eliminated.

Tammy Sue Bakker, the 17-year-old daughter of the television evangelist Jim Bakker, has told PTL employees that she has married Doug Chapman, 24, a former PTL hotel worker and lifeguard, according to The Charlotte (North Carolina) Observer. Chapman and his mother, Ann Margret, appeared on Tammy Sue's side Jan. 21 when she was host of PTL's "Jim and Tammy" show, normally hosted by Bakker and his wife, Tammy Faye. PTL promoted Tammy Sue's record album, released last week. Bakker resigned the leadership of the evangelical organization last month when news broke that he had had a sexual encounter with church secretary in 1980.

Peggy Say has been honored for her efforts on behalf of American hostages in Lebanon, including her brother, Terry A. Anderson, who was kidnapped two years ago in Beirut, where he was chief Middle East correspondent for the Associated Press. The New York chapter of the American Association of University Women presented the award to Mrs. Say, 46, in Buffalo, for efforts to negotiate with the tag team not only for her brother but to foster peace in the world.

Steven Cusney, a 25-year-old mechanic, became Britain's national snuff champion Sunday when he snuffed 50 pounds of the stuff at the annual tournament in the Devonshire village of Sidford.

Police Ra... Union in S. Africa... Black Federati... Blamed For Workers' Death

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